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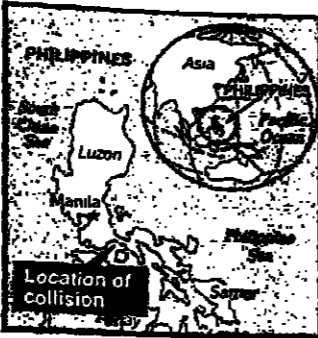
52/87

PARIS, TUESDAY, DECEMBER 22, 1987

ESTABLISHED 1887

1,500 Feared Dead in Philippine Disaster

By Gregg Jones
Washington Post Service
MANILA — Philippine Navy ships continued an apparently futile search late Monday for more than 1,500 passengers and crew members of a ferry that sank after a fiery collision with an oil tanker Sunday night in a well-used shipping channel.



A ferry and the surrounding waters, survivors said.

on reports from some survivors that the ferry was packed with more than 3,000 passengers, twice as many as the vessel was licensed to carry. Survivors said the three-deck ship was so crowded that four people were sharing one-person cots and the passageways and decks were crisscrossed with passengers.



An Israeli soldier moving away from Palestinians on Monday at a protest march in Gaza.

Protests Spread In Israel

3 More Killed As Palestinians Hold a Strike

By John Kifner
New York Times Service
JERUSALEM — Hundreds of thousands of Israeli Arabs joined Palestinians in the occupied West Bank and Gaza Strip on Monday in an extraordinary, virtually total general strike to protest against Israel's handling of the wave of unrest.

Afghan Guerrillas Step Up the Pressure

By Anthony Davis
Washington Post Service
KORAN, Afghanistan — As resistance fighters burst into the Afghan government's military police garrison here, a rebel rifle bullet smashed into the chest of the garrison commander, sending him sprawling in death across his own bed.

New Soviet Offer on Pullout

By David K. Shipler
New York Times Service
WASHINGTON — A senior State Department official disclosed Monday that during the summit meeting earlier this month, Mikhail S. Gorbachev made a new offer to have Soviet troops refrain from offensive combat operations during any period of their withdrawal from Afghanistan.

(one of seven parties in the main resistance alliance based in Pakistan) and led by the party's foremost commander in northern Afghanistan, Ahmed Shah Massoud, 35, a guerrilla strategist who rose to prominence in the bitterly contested Panjshir Valley northeast of Kabul.

The Angry Young Men of Gaza

Having Grown Up Under Israeli Rule, the 'Shebab' Lash Out

By John Kifner
New York Times Service
BUREI, Israeli-occupied Gaza Strip — The "shebab," hot-eyed, desperate, angry young men, were gathered outside the tiny cinder-block dwelling — it would be hard to call it a house — mourning Abdul Salam Fiteish, who had been shot to death by the Israeli Army.

that sovereignty over the Gaza Strip poses for Israel. Neither Egypt nor Jordan claims the territory, and Israel fears that if it were to relinquish control, Gaza could become a base for the Palestine Liberation Organization, which could use it to jeopardize Israeli security.

in Arab East Jerusalem by rock-throwing demonstrations. The anger is greatest in Burei and the seven other desolate refugee centers in the Gaza strip, 175 square miles of misery on the Mediterranean, where open sewers run down the dirt streets.

Kiosk

10 Republicans Back Arms Pact

WASHINGTON (UPI) — Ten Republican senators pledged their support of the U.S.-Soviet arms treaty at a White House meeting Monday and Bob Dole of Kansas, the Senate Republican leader, called the pledges "a big step in guaranteeing a big Republican vote for the treaty."



King Hussein Is Welcomed in the Soviet Union

King Hussein of Jordan and President Andrei A. Gromyko of the Soviet Union reviewing a Soviet honor guard Monday after the king arrived in Moscow on an official visit. King Hussein was scheduled to meet Mikhail S. Gorbachev, the Soviet leader, on Tuesday and was expected to urge the Kremlin to support an international arms embargo against Iran. He was hailed by the Communist Party newspaper Pravda on Monday as an 'advocate of greater unity of Arab states.'

U.S. Export Bank Will Seek Bailout

By Clyde H. Farnsworth
New York Times Service
WASHINGTON — The Export-Import Bank, a government agency that helps finance U.S. exports, is incurring such losses that its capital will be wiped out within nine months, and in January it will ask Congress for a \$3 billion bailout, its chief executive says.

budget constraints, with a deficit that must be reduced by \$30 billion in the 1988 fiscal year, which began Oct. 1. Congressional analysts did not rate too highly the Ex-Im Bank's chances of getting a capital replenishment.

U.S. exporters at rates below the cost of the money it borrows from the U.S. Treasury. In 1981, it paid as much as 15.75 percent interest to the Treasury's Federal Financing Bank, and it made loan commitments to customers of Boeing Co., Westinghouse Electric Corp., Combustion Engineering Inc. and other exporters at rates of less than 10 percent.

Loser Offers Apologies to Korea Voters

By Fred Hiatt
Washington Post Service
SEOUL — The defeated opposition leader Kim Dae Jung apologized Monday to the South Korean people, saying that his inability to form a common front with a rival opposition leader, Kim Young Sam, allowed the ruling party to retain power in last week's election.



Just in time for the party season, a book of overhead small talk has come out in London. Mary Blume, Page 5.

GENERAL NEWS
The U.S. Congress appeared to be on the verge of approving a budget package. Page 3.
SPORTS
East Germany and Hungary accepted invitations to compete in the Seoul Olympics. Page 15.
BUSINESS/FINANCE
BA acquired controlling stake in British Caledonian. Page 9.

Dow close: UP 15.08
The dollar in New York:
DM £ Yen FF
1.6288 1.832 126.60 5.5045

La Dictée: The Magnificent Obsession of French Education

By Stanley Meisler
Los Angeles Times Service
PARIS — Once a day, children in French elementary schools take the dictée, several nerve-racking, sometimes dreaded minutes in which they must write down exactly what their teacher dictates. Nothing reveals all that is unique in the French educational system better than the dictée.

guest in the televised finals of the national dictée contest. She made seven and a half errors in 15 complex sentences. Minor mistakes, such as a wrong accent, count as half an error.

of qualifying rounds, the field was narrowed to 121 finalists. Floating through Paris on a boat in the Seine, they listened to Mr. Pivot dictate. Celebrities, such as Ms. Giroud, Laurent Fignon, a bicycle racing star, and Inès de la Fressange, Chanel's premier model, took the test. So did most of the French journalists covering the event.

Mr. Pivot, before he began to read, told the contestants: "This dictée is easier than last year's. But that does not mean it is angelic."

Foreign educators, however, usually regard the dictée with suspicion, for it is heavily dependent on memorization and is a passive, noncreative exercise for the student. The dictée embodies many of the wrongs that foreigners see in French education, such as memorization, lack of creativity and overemphasis on literary matters.

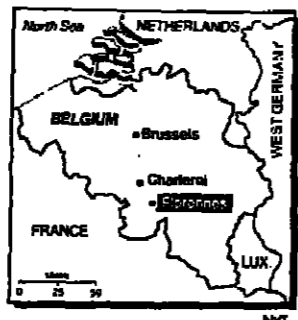
Although the Académie Française proclaimed in 1694 that good spelling is "what distinguishes men of letters from the ignorant and from simple women," the dictée appears not to have entered French education until the early 19th century. During that century, education was transformed from the elitist system of prerevolutionary times into a system that reached more of the general population.

The broadening of education was accompanied by a campaign to standardize grammar and spelling, perhaps to ensure that the language would not somehow be weakened as more and more French citizens attended school.

Appalling... ACCESS VOYAGE... FOR SALE & WA... CHRISTMAS OF... Page 6 FOR MORE CLASSIFIED... IDAN MORLEY EVERY WEDNESDAY... ACCEPTIVE CRITICISM... LONDON THEATER

U.S.-Soviet Missile Treaty Produces Belgian Fallout

By Edward Cody
Washington Post Service
FLORENNES, Belgium — Construction on a 650-unit U.S. housing project has suddenly come to a halt. Mayor Louis Timmermans will have to build the new sewers out of his municipal budget.



Renaud Henet, who runs Le Manhattan Cafe, said it looks like the U.S. Air Force personnel who stopped in regularly for a drink will have to leave just as they were starting to learn a little French. Claudine Constant, who has rented her apartment to six American families in a row, refuses to believe the U.S. military will pull out of this bleak little town in the southern Belgian Ardennes region, insisting that something new is bound to come along to keep them and their rent dollars around.

Under terms of the U.S.-Soviet nuclear disarmament treaty signed Dec. 8 in Washington, however, the Tomahawk cruise missiles assigned to the 1,300-

the spring of 1985, the initial step in Belgium's planned total deployment of 48 by 1990.

But as the process reaches its culmination and the missiles are slated for destruction, the 4,000 residents of this farming town seem far removed from the triumphant diplomacy of Washington or the grand debates of Brussels.

In Florennes, where unemployment is running at 24 percent and the regional economy is flagging, people are thinking instead about lost income.

"We thought the missile deployment would maybe get this region moving again," Mr. Henet said. "Now people say the Americans are going to leave. Some people are not going to have it so good any more."

A lot of money was allocated for that, and it made things flow. But I guess that's going to stop.

Mr. Timmermans calculated that 110 local people could lose their jobs if the base is eliminated entirely, rather than being altered

for another use. But the overall economic repercussions will be much wider, he said.

"That guy who just knocked on the door," he gestured toward the entrance to his town hall office. "He runs a gasoline station. Ask him how much he sells to the Americans. There are a lot of people like that."

About \$125 million was allocated for building the missile installations and support facilities that have risen just out of town. U.S. funds and the NATO infrastructure fund, to which Belgium contributes 4.59 percent, financed the work, which lacks only the housing.

Mr. Timmermans said deploying the missiles was politically wise for the West and beneficial for his town. Florennes never really participated in the noisy debates over deploying the missiles because people here "don't give a tinker's dam about it," he said.

"I facilitated the entry of the missiles here because the people are for it," he added. "I'll give you

1,000 francs if you can go out in the street and find three people who will come here and tell me they are against the missiles."

If the people of Florennes mostly took nuclear missiles in their stride, it is perhaps because they have a long history of ties to the military. The town was founded by medieval lords as a fortified stronghold.

The air base, which also houses Belgian Air Force Mirage-5s, was begun by Germany in 1942. It was taken by the U.S. Army in 1944 and P-38 Lightnings took off from here to provide air cover during the Battle of the Bulge.

The Belgian military took it over in 1947. But troops of other NATO nations have been stationed here periodically since then and local residents have grown used to the whine of fighters.

"We have always had foreign troops here — German, French, English, American," Mr. Timmermans said. "It was the Germans who built the base in the first place."

British Plan To Remain In a Science Unit, CERN

By Walter Sullivan
New York Times Service

NEW YORK — What many regard as Europe's most effective scientific collaboration, the European Organization for Nuclear Research, known by the French acronym CERN, has survived a critical test after Britain conditionally agreed to remain a member.

The organization, which was formed after World War II and is based near Geneva, is made up of 14 European countries. Britain provides 16 percent of its budget.

The British said Sunday that they would remain in the organization if changes recommended by a special CERN commission, headed by the French physicist Anatole Abragam, were adopted.

According to CERN officials, the commission noted the "resounding success" of research efforts at the organization, but found the enterprise "doomed to inefficiency" if it was not revitalized.

It recommended that the organization streamline operations of the center, let go 300 of its staff of 3,500 people over the next five years and replace some of them with younger people. The estimated budget saving would be from 3 to 5 percent.

The officials said, however, that the committee proposed that the staff be changed through a process of attrition rather than dismissal.

The organization's budget is about \$600 million. Each country is also expected to provide financial support of its own researchers.

In meetings last week, the CERN Council, made up of representatives from all member nations, considered the recommendations of the Abragam commission.

In other action, the CERN Council nominated Dr. Carlo Rubbia to be the director-general, starting a year from January. In 1984, Dr. Rubbia shared a Nobel Prize with Dr. Simon van der Meer of the Netherlands for the discovery of three subatomic particles, the positive and negatively charged W particles and their electrically neutral cousin, the Z particle. The long-sought particles unite two of the fundamental forces of nature, the electromagnetic and the so-called weak force, which accounts for some forms of radiation.

Dr. Rubbia, an Italian, is on the faculty of Harvard University. The current director-general is Herwig Schopper, a West German.

The CERN Council also named Josef Rember of West Germany as its president, to take office next month. Mr. Rember is director-general of basic research and coordinator of international cooperation at the Ministry of Research and Technology in Bonn.

Pressure for a British withdrawal from the organization stemmed from a 1983 report by a committee headed by Sir John C. Kendrew, who shared a Nobel Prize in 1962 for his discovery of the molecular structure of the proteins myoglobin and hemoglobin.

That report said CERN was receiving an inordinate amount of money from Britain's Science and Engineering Research Council.

The Kendrew committee said Britain should withdraw from the organization unless its contribution was reduced by 25 percent for the 1991-92 budget.

WORLD BRIEFS

Chemical Fog Afflicts 1,000 Egyptians

ALEXANDRIA, Egypt (Reuters) — About 1,000 soldiers and civilians were taken to hospitals on Monday after an accident at an army camp released clouds of suffocating fog normally used for smokescreens, a spokesman for the Interior Ministry said. He said that a "spontaneous interaction of a chemical powder stored in the camp" created the pall of smoke, which caused thousands to be evacuated from nearby homes. He did not specify the type of powder but said it was "used by armies as a smokescreen to camouflage movements." The police said at least 400 soldiers were overcome by smoke and taken to hospital. Witnesses said ambulances and buses took hundreds of civilians out of the area. Schools were closed. No deaths have been reported.

Felber Named Swiss Foreign Minister

BERN — Rene Felber, 54, a Socialist, was named foreign minister of Switzerland on Monday, a government spokesman said. He was head of the finance department of the Canton of Neuchâtel until Dec. 9, he was elected to the seven-member Federal Executive. He succeeded Pierre Aubert, who held the post for 10 years. A second newcomer to the cabinet, Adolf Ogi, was named transport minister. He succeeded Leon Schlumpf who had held the post since 1980. The other ministries did not change hands. The country's four largest parties have been the members of a government coalition since 1959, controlling large majorities in the 264-seat federal assembly, which combines both houses of Parliament. In the general elections last October, they won an aggregate 201 seats.

Iran Reports 1,000 Iraqi Casualties

NICOSIA (Reuters) — Iran said its forces killed or wounded 1,000 Iraqi troops on Monday in an attack on the south-central front. The Iranian press agency, monitored in Cyprus, said the Iranians ambushed Iraqi positions on the east bank of the Fakhkeh River in the Fakhkeh area in a "victorious blitz" early Monday. It said that Iranian forces seized 12 square miles (30 square kilometers) of Iranian territory from the Iraqis and that at least 1,000 Iraqi soldiers were killed or wounded or drowned in the river when five Iraqi counterattacks were beaten back. It was the second attack since Saturday night by Iran, which is reported to be preparing for a major offensive.

Paraguayan Is Freed After 25 Years

ASUNCION, Paraguay (AP) — Napoleon Ortigosa, 63, one of Latin America's longest-held political prisoners, has been freed after serving a 25-year sentence, 18 years of which he spent in solitary confinement in a cell measuring about three feet by six feet (one meter by two meters). The Human Rights Commission of Paraguay had long lobbied for his release, saying the former captain had been tortured and denied his civil rights. Mr. Ortigosa completed his sentence Thursday. He was released Sunday and placed under police supervision for 30 days in a small hotel in San Estanislao, a remote town northwest of Asunción.

For the Record

Britain and the Soviet Union formally agreed Monday on verification procedures for removing intermediate-range nuclear weapons from British soil under the U.S.-Soviet treaty to abolish such weapons. A similar U.S.-British agreement was signed Dec. 11. President Major General Ibrahim Babangida of Nigeria dropped Foreign Minister Bolaji Abiyemi from his cabinet Monday in a reshuffle affecting six ministries, an official statement said. Mr. Abiyemi was replaced by Brigadier Ike Nwachukwu, who had been labor minister. The finance and national planning ministries were merged under Finance Minister Chu Okongwu. (Reuters)

TRAVEL UPDATE

Airline Guide Rates Fares and Service

WASHINGTON (AP) — A guide by the Consumer Federation of America gives air travelers information ranging from comparisons on fares and airline performance to information on bar hours at major airports and how much it costs to get to the center of the city. The guide, "How to Fly: The Consumer Federation of America's Airline Survival Guide," can be purchased for \$7.95 plus \$1 for postage and handling from the federation at 1424 16th St. NW, Washington, D.C. 20036.

The 203-page guide compares fares charged by 18 airlines along 17 popular routes, gives airlines a "service index" based on how many complaints are lodged with the Transportation Department, provides direct airline-to-airline fare comparisons in certain markets, and gives brief profiles of 18 carriers and 36 major airports.

Winter Running Late in Switzerland

ZURICH (AP) — Switzerland experienced a seventh straight day of unseasonably warm weather Monday. It has caused a lack of snow on many winter resorts at the start of the Christmas vacation season. Skiing was reported to be reliably possible only at stations above 6,000 feet. It was feared that at several resorts that by could seriously suffer if winter fails to arrive next week.

The Dresden airport will be closed for a year starting Jan. 1, 1991, as reconstruction of the runway, the East German news agency Aity Monday, International and charter flights will be diverted to other German airports, primarily Leipzig, the official agency said.

An EgyptAir jetliner carrying 95 passengers made an emergency landing Monday in Accra a few minutes after taking off because fire broke in an engine, the official Ghana News Agency said. The plane was bound for Cairo by way of Lagos and Kano, Nigeria. (Reuters)

Is There Really a Right to Exist?

If There Is, Mrs. Thatcher Tries Hard to Put a Tax on It

By Barry James
International Herald Tribune

Never since the Peasants' Revolt in 1381 has an English government attempted to impose a tax on the right to exist.

But facing down the biggest revolt within her own party since she came to office in 1979, Prime Minister Margaret Thatcher of Britain is plowing ahead with a deeply controversial parliamentary bill to impose a flat-rate head tax on every man and woman in the land, irrespective of how much they earn or even if they earn nothing at all.

Even Adam Smith, the 18th-century Scottish economist who is the patron saint of Mrs. Thatcher's Conservative Party, could never see the sense in such a measure. He argued that citizens should pay taxes "in proportion to the revenue which they respectively enjoy under the protection of state," and said that a "capitation tax" as he called it, would be both regressive and unworkable.

This is essentially the argument made by opponents of Mrs. Thatcher's plan to introduce a "community charge" for every person above the age of 18 to pay for services provided by local government, such as police, schools, civic amenities, social services, road upkeep and street lighting.

At present, financing for such services is raised by a tax on property known as rates, which Mrs. Thatcher has long promised to abolish.

Mrs. Thatcher portrays herself as a thrifty housewife whose attempts to save the taxpayers' money are constantly being thwarted by freespending local authorities, as often as not controlled by Socialists opposed to her policies.

Her government argues that a community charge on every adult would make the local governments more accountable to the people who elect them. At the moment, the £6 billion rate bill falls on only half the 36 million registered voters in England in Wales, of whom one in three pay at a reduced level because of limited incomes. In theory, those who pay no local taxes at all

under the present system have no incentive to make sure that city and county governments put a lid on spending.

Few argue that the present rating system does not need reforming. Identical houses are taxed the same, even though one may be occupied by a pensioner struggling to get by and the other by several adults earning good salaries.

Michael Heseltine, a former Conservative minister, said that if the head tax becomes law, it would become known as 'the Tory tax.'

But critics argue that the proposed community charge, due to come into effect April 1, 1990, is even more unfair, Ian Gilmour, a former government minister, said in a stormy House of Commons session recently that voters "do not see why those in very nice houses on large incomes should pay exactly the same as those living in less nice houses."

Michael Heseltine, another former Conservative minister, said the charge would become known as "the Tory tax."

He said it was inconsistent with the government's aim of protecting the family, since it would drive people away from home at the age of 18 and force people to put aging parents into homes where they would not be liable to pay the tax.

Critics say tax evasion on a massive scale is inevitable in view of the widely perceived view that a flat tax would be particularly unfair on those least able to pay. The government replies that special arrangements will be made for people with low incomes.

But the general intention is to

spread the tax net as wide as possible, with as few exemptions as possible.

The charge will fall equally on the millionaire, the housewife earning nothing or an 18-year-old venturing into a first job.

"No lobby, no tax expert, no academic researcher, no foreign government, no book, no learned paper can be cited in its support," said Simon Jenkins, a commentator in The Sunday Times, who said Mrs. Thatcher wants to sting the urban poor into voting local Labor governments out of office.

The reaction from local authorities themselves "is not very enthusiastic," said Toby Sargent, a spokesman for the Department of the Environment, the ministry sponsoring the community charge.

The amount of the tax will vary from region to region, depending on the level of local government spending. The government estimates that if the community charge were in effect today, the average tax in England and Wales would be £220 (\$396) per person each year, ranging from a low of £36 in the Scilly Isles to £782 in Camden, a district of central London.

Once the new system goes into effect, businesses will continue to be assessed rates on property value, but will pay their taxes directly to the government rather than to the local authorities as at present. Business property will be revalued in 1989, after which the government pledges that business rates will not increase by more than the rate of inflation. In districts where businesses are heavily taxed by left-leaning authorities, rates could come down by 40 percent or more, Mr. Sargent said.

The money raised from business property taxes will be recycled to the regions on the basis of population. In addition, the government will continue to pay about half of local government costs directly out of national taxation.

In all, the amount raised by the community charge is expected to be about the same as the £6 billion collected by the present domestic property taxes.



Ibrahim Mohammed Khaled inside a steel cage at his trial.

Gunman Refuses to Attend Trial for Rome Airport Raid

ROME — The only survivor of the Palestinian guerrilla squad that attacked Leonardo da Vinci Airport near Rome two years ago refused Monday to attend his trial, saying he was waiting to die.

Ibrahim Mohammed Khaled, 20, described the Dec. 27, 1985 attack, which left 16 dead and 89 injured, as an "unpardonable disaster" and "an action full of horror." In a statement, he called on the Palestinians and Israelis to "put down their damned arms."

Mr. Khaled's absence could hurt the efforts of prosecutors to shed new light on the inner workings of the Abu Nidal group, which planned the Rome attack and an

attack the same day at the Vienna airport. Abu Nidal, the nom de guerre of Sabri el-Banna, and his lieutenant, Rashid al-Hamieda, are being tried in absentia. The three are charged with conducting a massacre.

Mr. Khaled was wounded and his three companions killed in a gunbattle with Israeli security agents when the commando attacked a crowd of travelers waiting to check in for El Al and Trans World Airlines flights. His appearance in court would only cause further pain to relatives of the victims.

Mr. Khaled said in the statement, read by his lawyer, Epifanio Ales. "I don't expect anything more from life," he said, adding, "I want my death to arrive as soon as possible."

A PERFUME MUST BE A WORK OF ART

NINA RICCI

Doctors Split Over Early Use of AZT to Treat AIDS

By Gina Kolara
New York Times Service

NEW YORK — Defying official recommendations, a growing number of U.S. doctors who treat carriers of the AIDS virus are prescribing a powerful, potentially toxic

drug even before the patients develop serious signs of disease.

The drug is zidovudine, or AZT. It is licensed by the Food and Drug Administration only for certain patients with the disease or those who show some disease symptoms and whose immune systems are seriously damaged, groups in which the benefits of AZT have been established. But once a drug is approved, doctors may legally prescribe it to any patient.

More than a dozen AIDS physicians and health authorities interviewed said the practice of prescribing AZT to patients without symptoms had become widespread in recent months, as the drug, once scarce, became readily available.

The practice has split the U.S. medical community. While some

doctors supported it as a compassionate response to an unusual threat, others were deeply alarmed, saying they could not recall another case when a drug with such toxic potential had been so widely prescribed for a condition other than that specified by the Food and Drug Administration.

"I don't think there was ever before a situation like this in medicine," said Dr. Izbak Brook of the Uniformed Services University of the Health Sciences in Bethesda, Maryland. "This is just what I was afraid of." Dr. Brook was chairman of a Food and Drug Administration advisory committee that evaluated AZT.

Experts who, like Dr. Brook, are worried about the trend say that for relatively healthy patients there is no proof that AZT will provide benefits that outweigh the substantial risks. Those risks include the

suppression of bone marrow, which can cause severe anemia and make patients vulnerable to life-threatening infections.

[AZT is widely used in Europe to treat carriers of the virus, European health officials said.]

A spokeswoman for the Pasteur Institute in Paris, a leading AIDS research center, said French specialists increasingly are inclined to prescribe AZT at soon as blood tests lead them to suspect that a carrier of the virus is likely to develop the disease.

[A fall in the number of T4 lymphocytes cells in the patient's blood or a positive result to antigen tests, the spokeswoman said, is considered sufficient justification to prescribe AZT, even if the patient is not showing physical symptoms of AIDS. T4 lymphocyte cells are involved in the body's defense against viruses and its rejection of foreign tissue. A lowered count indicates that the body's immune system is breaking down.]

But even the staunchest critics are sympathetic to the plight of frightened patients and their doctors. Some doctors find it impossible to refrain from using the drug, knowing that it may be only a matter of time until a patient's immune system falters and more and more the symptoms of acquired immune deficiency syndrome develop.

"I'm very wary" of giving the drug to symptomless carriers of the AIDS virus, said Dr. Jeffrey Laurence of the Cornell University School of Medicine. "But there are a lot of scared people out there."

Dr. William Stroy, a New York City doctor who treats AIDS patients, said he gave AZT to healthy

virus carriers when they wanted it. He said that many patients who know they are infected with the virus "feel better knowing they're doing something about it."

Mounting evidence, experts say, indicates that a substantial number, probably a majority, of people infected with the virus eventually will develop AIDS. But many have carried the virus for years without serious ill effects. Some doctors worry that premature use of AZT will deprive such patients of healthy years without providing any sure benefits.

The aggressive treatment also reflects an increasing dismay among those active in the drive against AIDS and some doctors over what they regard as the slow pace of government-sponsored research.

Others say that sound studies necessarily take time. They add that no useful scientific information will result from the wide dispensing of AZT since no data are being gathered.

AZT is the only drug on the market for the treatment of AIDS. Although it is not a cure, it does extend the lives of some AIDS patients. The federal government now is starting studies to see if the drug helps patients who are less ill than the original study group, but officials said it would be years before answers were in.

The manufacturer, the Burroughs Wellcome Co., said that more than 10,000 Americans were taking AZT but that it had no precise figures, nor any record of how many met the guidelines for the drug's use.

Soviet Jew to Get Exit Visa

The Associated Press
MOSCOW — Alexander Lerner, a Jewish scientist who has been refused permission to emigrate from the Soviet Union for almost 17 years, said Monday that he had been given permission to leave with members of his family.

CHURCH SERVICES

PARIS AND SUBURBS
THE AMERICAN CATHEDRAL (Episcopal-Anglican), Christmas Eve Holy Eucharist 10:30 a.m., Christmas Day Holy Eucharist 11 a.m., 23 avenue George V, Paris 8. Tel.: 47 20 17 92.

JPM 150

هكذا من الظاهر

Sandinists Try to Repel Contras in Mining Area

MANAGUA — The rebels fighting Nicaragua's Sandinist government claimed major gains Monday in a drive into a remote mining region three days before a truce was scheduled to start...



ON THE SEVENTH DAY THEY WORKED — Representative Jim Wright of Texas, the House speaker, listens to Representative Tony Coelho, Democrat of California, over lunch at a special congressional session Sunday.

Congress Action Near on U.S. Budget Bill

WASHINGTON — Congress appeared on the verge of approving a budget package Monday, nearly three months into the 1988 fiscal year, and President Ronald Reagan said he was hopeful that an end to the impasse over aid to the Nicaraguan rebels and other points of contention was at hand.

Collegians Toast New Drinking Law

Effort on Drunkenness Seems to Have Opposite Effect

By Nick Ravo
NEW YORK — New state laws making 21 the legal drinking age, intended to combat drunken driving among young Americans, are having little effect on cutting down on drinking among college students...

Advertisement for Dunhill Millennium watch, featuring a large image of the watch and text: 'QUALITY. CRAFTSMANSHIP. AND STYLE. THE DUNHILL MILLENNIUM.'

Senate Committee Delays Approval Of 6 Nominees to U.S. Envoy Posts

By John M. Goshko
WASHINGTON — The Senate Foreign Relations Committee has refused, at least temporarily, to approve six nominees for vacant U.S. ambassadorships...

Iraqi Casualties

After 25 Years

UPDATE

Fares and Service

Late in Switzerland

Great AIDS

Two Get 15 Days For KGB Protest

U.S. Asks Pretoria to Spare 6

Quiet Elegance

The Chesterfield

U.S. Asks Pretoria to Spare 6

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Advertisement for International Herald Tribune, featuring a bottle of gin and text: 'THERE'S ONLY ONE GIN FOR THE WELL-INFORMED.'

Advertisement for Chesterfield cigarettes, featuring a pack of cigarettes and text: 'Quiet Elegance London's Most Fashionable Setting.'

U.S. Asks Pretoria to Spare 6

South Korean Suspicions Epitomized in Episode Of the Ballot-Box Battle

By Clyde Haberman
New York Times Service

SEOUL — For many suspicious South Koreans, the Battle of Kuro will long linger as the prime example of the presidential election last week was stolen by the government.

There is certainly hard evidence and credible anecdotal material to conclude that a disturbing amount of ballot-switching, vote-buying and coercion occurred on election day. But no one has come up with proof that the irregularities were so epidemic as to undermine the government victory or to absolve the opposition from blame for having split apart.

Even though most South Koreans seem to accept the election of Roh Tae Woo, others are withholding judgment. For them, the Battle of Kuro looms large. It also encapsulates the suspicions and rumors — the basic mistrust — that form a large part of daily Korean life.

Kuro is a working-class district in southern Seoul, presumably a stronghold of the opposition figure Kim Dae Jung.

While voting was under way Wednesday, people at the local ward office discovered an official leaving in an unofficial-looking truck. It had a ballot box in the back, and the box was covered with food packages, as if to hide it.

All he was doing, the official said, was carrying absentee ballots to a central counting center. But to many other Koreans, his behavior was suspicious, and anti-government crowds quickly surrounded the ballot box.

There ensued a 45-hour siege of the ward-office compound that ended in a brutal battle between the police and dissidents. Rumors abound that protesters were killed, but no one has yet produced any names, let alone bodies.

Meanwhile, the ballot box in question, and two more found inside the building, were taken away. According to one account, they are in storage somewhere. Another version is that the ballots were burned.

message was almost certainly a boon for Mr. Roh.

For similar reasons, suspicions were raised when a mysterious woman was brought from Bahrain to Seoul for questioning in the disappearance last month of a South Korean airliner. The South Korean government says it believes that a time bomb exploded on the plane as it flew over the Thai-Burmese border and that North Korea was probably behind it.

The woman, known only by the fictitious name of Mayumi Hachiya, tried to kill herself upon her capture in Bahrain by biting into a cyanide capsule. Her partner, an older man, succeeded.

It struck some South Koreans as too coincidental that she was extradited from Bahrain and brought to Seoul the day before the election. For many, their last televised image before heading to the polls was this possible agent of North Korea. How much it affected their vote, of course, cannot be said.

By taking to the streets, the young men have shaken up Palestinians at the same time that they have challenged their Israeli rulers, pushing aside the influence of traditional local notables and the absentee Palestine Liberation Organization, which has been scrambling to keep up.

The sources of the anger in Gaza are being charted — then ignored — in numerous studies and reports.

Once a rural orange-growing center and caravan stop, Gaza came under the British Mandate in Palestine when the Ottoman Empire was broken up at the end of World War I. Egyptian troops took control in the 1948 fighting. The period of Egyptian rule is not remembered fondly in Gaza either.

Israel took over when it won the Arab-Israeli war of 1967. Today, Gaza, less prosperous than the occupied West Bank, is a place that Egypt does not want back.

Unlike the Palestinians on the West Bank, who hold Jordanian citizenship and passports, Gaza residents are officially stateless and can only obtain, with difficulty, special refugee travel documents from Egypt. Even travel to Egypt is a problem.



Kim Young Sam meeting the U.S. ambassador, James Roderick Lilley, to discuss the vote.

GAZA: Having Grown Up Under Israeli Rule, the 'Shebab' Are Lashing Out

(Continued from Page 1)

mentalist, taking part in a growing Islamic trend in Gaza.

He was shot three times, once in the head, as he came out of the local mosque with hundreds of others after Friday prayers on Friday shouting "God is Great!" and Palestinian slogans at Israeli soldiers, who first fired tear gas, then bullets.

The "matern" held for him was an Arab tradition of gathering to comfort the family of the dead. A cloth had been stretched overhead to form a kind of tent, from which Palestinian flags and quotations from the Koran hung. The voices of the young men turned angry, and they shouted their defiance of the Israelis.

"I will be killed fighting them, and my brother and my sister," a young man said. "We will struggle, as you see, we will struggle with stones and by killing ourselves."

The dead man's mother, Zahiya, 47 years old, came from a village near what is now Ashkelon, during the fighting that secured the independence of Israel in 1948. His wife of four years, Dalal, who is pregnant, pulled her black Islamic shawl closer as she held the baby.

The mother was asked if she would let her remaining sons join the demonstrations.

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The mother was asked if she would let her remaining sons join the demonstrations.

"As long as I am alive, I am going to teach the young people to fight until we have a solution," she said. "We want to live in peace, and we want the Jews out of our land. I don't care whatever happens as long as we get our land."

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other substandard housing. The population density is among the world's highest.

In recent years, Gaza has also become home for some 2,500 Israeli settlers, most of them from ideological religious movements. Although the settlers comprise only 0.4 per cent of Gaza's population, they occupy 8 percent of its land. Their presence has greatly increased the tension.

The Gaza Strip provides a vast pool of cheap labor for Israel, leading the Israeli writer Amos Elon to describe it as the "Soviet of the state of Israel."

The official Israeli estimate is that about 45,000 workers a day, or roughly half the territory's labor force, commute daily to mostly menial jobs in Israel. As many as 15,000 others are believed to work in Israel at jobs that are unregulated or technically illegal.

Because the workers from Gaza in Israel pay more in taxes than the \$17.5 million the Israeli government contributes to the area's budget, and because much of the consumer goods in Gaza must be purchased in Israel, a 1986 study of Gaza by the West Bank Data Base Project concluded:

"It becomes apparent that the occupation is not only self-supporting but in fact may be profit-making."

The study group, headed by Mevot Benvenisti, a former deputy mayor of Jerusalem, has strongly criticized Israeli policies in the occupied territories.

Its report on the Gaza Strip described "catastrophic" health conditions, falling citrus production because of Israeli limits on exports to Europe, dramatically declining fish catches because of security limits on the fleet, stagnant industry, overcrowded and deteriorating schools and declining resources of fresh water.

The army said that two Palestinian youths in the village of Tubas and one in Jenin, had been shot to death while throwing firebombs. A second youth in the Jenin incident was reported in critical condition.

12 Die in Lebanon Clashes
At least 12 persons were killed in clashes Monday between Lebanese guerrillas and Israeli-backed troops in southern Lebanon, United Press International reported from Beirut.

The report, quoting witnesses and security officials, said the Israeli-backed South Lebanon Army shelled and rocketed Nabatieh, 33 miles (53 kilometers) south of Beirut, and seven nearby villages for four hours in retaliation for a dawn guerrilla attack.

Foreign observers, including journalists, photographers and academics who travel regularly to northern Afghanistan, agree that Mr. Massoud's organization has expanded its political and military organization in the past two years.

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In Angola, a Little-Noticed War

This Year, South Africa's Involvement Draws More Outcry

By James Brooke
New York Times Service

XANGONGO, Angola — Standing among stacks of wooden ammunition crates, Sergeant Antonio Francisco da Silva offered tips for shooting down South African war planes.

They try to come in under our radar, so we fire low, force them up and then shoot them down," said the 28-year-old Angolan sergeant, who helps run an anti-aircraft battery credited by regional military authorities with having downed four South African jets since September.

In a remote, rarely reported war, soldiers of this black-ruled African nation are locked in direct combat with invading soldiers from South Africa.

Xangongo, the southernmost town in Angolan government hands, is now ringed by chest-deep trenches dug in the sandy soil. Once a regional cattle-trading center, Xangongo is now a garrison town. Many houses stand empty, abandoned after South African bombs crashed through the orange tile roofs.

South African commandos frequently mine the main road leading to safer zones north of Xangongo, Angolan military authorities say. The hulks of vehicles rusing by the roadside bear witness to the mines.

The intrusion of modern war on the huge African savannah is often jarring. A group of women from the Chuanhama tribe lingered in the shade of a giant baobab tree, watching a Soviet-made personnel carrier on patrol. On top, an Angolan soldier scanned the horizon, fingering a portable SAM-3 anti-aircraft missile.

South Africa's involvement was highlighted by a visit its president, P.W. Botha, made to the rebel-controlled zone of Angola last month.

In addition to searching for Namibian guerrillas, South Africa cites other reasons for invading Angola.

Some of the Angolan soldiers, many of them teen-age draftees, are billeted in buildings that once served as quarters for South African troops during an occupation in 1983 and 1984. The walls still bear the graffiti from the South Africans — a stenciled picture of a man on a camel saying "52nd — Camels In" and "The Army Lives Forever."

Since 1975, the year of Angola's independence, South Africa has repeatedly invaded southern Angola. Ostensibly hunting the guerrillas who seek independence for the neighboring territory of South-West Africa, the South Africans have killed thousands of Angolans and have destroyed millions of dollars worth of bridges, buildings and factories, Angolan officials say.

Last week, about 3,000 South African soldiers were camped in southern Angola and 10,000 more were massed in three bases a few miles across the border in South-West Africa, or Namibia, according to the regional military commander, Lieutenant Colonel Luis Frederico de Albuquerque. Namibia is administered by South Africa in defiance of the United Nations.

This year, South Africa's intervention in Angola has been heavier and has attracted more outcry than usual.

For the first time in a decade, South African officials admitted last month to sending soldiers to fight alongside Jonas Savimbi's rebel group, the Union for the Total Liberation of Angola, or UNITA. South Africa and the United States supply this rebel army, which has its base of strength in southeastern Angola, 500 miles east of Xangongo.

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About 10,000 South African refugees live in Angola, largely in camps run by the African National Congress, the South African rebel group.

According to Western diplomats in Luanda, 1,500 guerrillas from the African National Congress started getting battlefields military experience in Angola this year. They patrol northern Angola's Zaire and Uige provinces, hunting for UNITA guerrillas, the diplomats say.

South Africa says it also intervenes in Angola to fight the 37,000 Cuban troops who support Luanda's Marxist government. South Africa says that if Namibia is granted independence, the Cubans will move south, establishing a threatening presence on South Africa's western border.

South Africa routinely portrays its attacks on Angola as battles against Cuban troops and Soviet advisers. But Western diplomats in Luanda say this picture is false. They say that in recent years the Cubans and Russians have played a rear-guard, supportive role, behind the Angolan Army.

In a policy reversal on Dec. 10, Angola's president, Jose Eduardo dos Santos, said that, in response to South Africa's occupation of southern parts of his country, he was authorizing the Cubans to start patrolling down to Angola's border with Namibia and to engage the South Africans in combat.

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Hundreds of people waiting late Monday in Manila's harbor to see if an arriving ship, which passed the disaster site, had picked up more survivors of the Dona Paz collision. It had not.

FERRY: At Least 1,500 Feared Dead in Philippines

(Continued from Page 1)

fire surrounded me, so I dived and swam about five yards to get away from the fire," he told reporters from his hospital bed in Manila.

Monday that the Philippine government waited 17 hours to ask them for help in finding survivors of the collision. The Associated Press reported from Clark Air Base in the Philippines.

One sergeant said the delay might have hampered the search effort.

U.S. Aid Sought Late
U.S. Air Force officials said

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KIM: Loser Apologizes

(Continued from Page 1)

week in a statement that went on to place most of the blame on Kim Dae Jung. The two longtime opposition leaders have not spoken to each other since their loss.

Small demonstrations against the election results continued Monday in several cities, mostly in Cholla. Kim Dae Jung's home province. In the provincial capital of Kwangju, a few students tried to throw firebombs at the U.S. Information Service office. Policemen chased them away. There was no damage.

Kim Dae Jung partisans in Kwangju have attacked Americans for what they see as pro-Roh bias in the U.S. government and press.

The National Coalition for Democracy, the dissident group that spearheaded the fight for the Dec. 16 election, issued a paper on Monday that it said documented widespread fraud. The coalition said it had received 791 reports of irregularities during voting and another 236 during vote-counting.

AFGHAN: Guerrilla Control Is Found to Be Growing

(Continued from Page 1)

heavily on Chinese and Vietnamese guerrilla experiences, according to analysis of the war in northern Afghanistan. But Mr. Massoud emphasized the overriding influence of Afghan conditions on his strategy.

The attack on Koran had begun in the half-light of dawn, shortly before 6 A.M. on Oct. 29. Guerrilla infantrymen moved in on the base under a barrage of mortar, rocket and recoilless-rifle fire.

By 7:30 it was nearly over. As half-hearted resistance in the main army base, the military police compound and outlying posts collapsed, the government's conscripts threw aside their weapons to surrender.

Only a unit of KHAD, the Kabul government's well-paid secret police, resisted throughout the morning. They were overrun at midday.

SUMMIT: Offer on Pullout

(Continued from Page 1)

time the pullout would take and the phasing of the departure of various military units, Mr. Armacost said.

According to another administration official, the significance of Mr. Gorbachev's suggestion was not fully grasped during the summit meeting by tired Americans, who were concentrating on resolving differences in the language of a joint Soviet-U.S. statement that dealt mainly with arms control. The Gorbachev offer was not pursued.

Still, Mr. Armacost took a cautionary tone on the implications of what Mr. Gorbachev had said.

Mr. Armacost said that he would not engage in military operations, other than self-defense. Mr. Armacost said, "It's the latter, of course, that needs to be defined fairly carefully, since we all know that there's a very high level of military activity generally in Afghanistan society; and therefore if one's looking for an excuse, then there's always an incident to which one can refer."

BRITISH HIGH COURT REFUSES PERMANENT BAN ON SPY BOOK

(Continued from Page 1)

LONDON — The High Court refused Monday to grant the British government a permanent injunction preventing newspaper reports about "Spycatcher," the memoirs of Peter Wright, the former intelligence officer.

Judge Richard Scott said any damage to national security would have "already been inflicted" by publication of the book in other countries. He said he was convinced by arguments in favor of press freedom put forward by three newspapers, The Guardian, The Observer and The Sunday Times of London.

Sir Patrick Mayhew, the attorney general, said he would appeal the decision, and the court granted a temporary injunction against publication until the case is heard in the Court of Appeal on Jan. 18.

In New Zealand, the country's highest court, the Court of Appeal, ruled Monday to stop a temporary injunction that Britain obtained in August against the book. United Press International reported from Wellington. The ruling cleared the way for sales of the book in New Zealand.

16 Die in Crash of Air France Plane at Bordeaux

(Continued from Page 1)

BORDEAUX, France — An Air France passenger plane crashed Monday afternoon as it approached the Bordeaux airport, killing 13 passengers and three crew members.

The twin-engine passenger plane, a Brazilian-made Embraer EMB-170, was en route from Brussels. Fog had prevented a scheduled stop in Amsterdam, officials said.

Air France, a state-owned company, said it had leased the aircraft and crew from a private firm, Air Littoral.

There was no immediate indication of the cause of the crash. The French news agency Agence France-Press quoted an unidentified witness as saying he saw the plane on fire as it was going down.

First Nonstop Flight From U.K. to Falklands

(Continued from Page 1)

LONDON — A British Air Force jet testing Britain's ability to reinforce its Falklands Islands garrison and carrying Christmas gifts and cards for troops has made a record-breaking nonstop flight to the South Atlantic.

A Ministry of Defense spokesman said that the VC-10 landed Sunday after 15 hours and 45 seconds, completing the first nonstop flight from Britain to the islands, which are claimed by Argentina.

The jet refueled twice in the air, knocking 90 minutes off the time recorded by a plane flying in the opposite direction.

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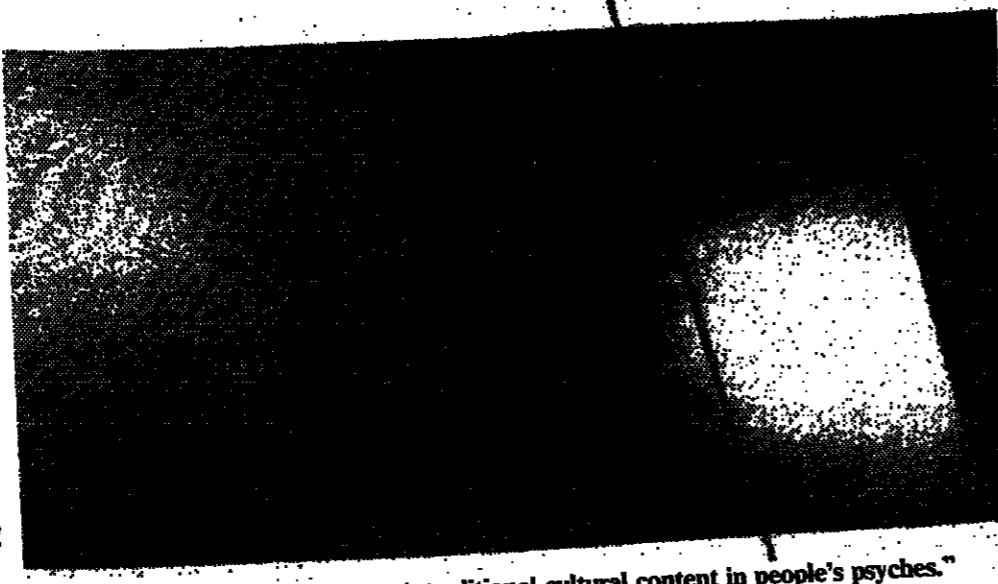
ARTS / LEISURE

Basel Show Is Abstract, With Twist

Robert Einbeck Gets Religion

By Michael Gibson International Herald Tribune

BASEL, Switzerland — The work that has provoked the strongest reaction in Robert Einbeck's show here is a canvas to which he has affixed a crown of thorns.



One of Einbeck's crosses: "A traditional cultural content in people's psyches."

The show, filled with paintings done in the sensitive and highly polished abstract idiom characteristic of the painter, was devoted to Christian symbols: cross, star, trinitarian triangle and so on, but for some reason it was the three-dimensional crown that caught everyone's attention and caused some distress among critics of all persuasions. This rather pleased Einbeck. In his view, the reaction shows that "a traditional cultural content is, in fact, much more present in people's psyches than one actually imagines."

and it raises interesting questions about the possibility of doing this sort of thing in art today. Einbeck is surprised that one should query his use of religious symbols. "After all," he points out, "Alain Kirili makes crucifixes and Georges Jeanclos sculptures for a Romanesque church, and everyone thinks it's great. So why shouldn't I paint crosses or display a crown of thorns?" To this one might retort that Kirili and Jeanclos are Jewish, which somehow transposes their relationship to Christian symbols onto a neutral, secular ground — although the viewer is free to carry it back to the religious domain. Also, in each case, there is a specific formal problem that serves as a material counterpoint to the content: Kirili applies his technique of bending iron to the traditional form of the cross, Jeanclos seeks to blend his present-day idiom into the Romanesque background for which the work was commissioned. In the same way, non-believers such as Chagall or Matisse produced works that successfully function as works of art in an explicitly Christian context. And, of course,

the pure abstractions of the self-professed atheist Mark Rothko are quite appropriate to the non-denominational chapel designed for them in Houston and radiate a form of serenity similar to the one Einbeck wants to foster. Nevertheless, because the societies of the industrial world are predominantly secular — as societies dominated by religion — any artist dealing with religious subjects, or with a domain of sensibility that at one time was considered religious, is obliged to do some complicated footwork if his work is to be regarded as relevant outside his own creed. The straightforward statement of belief can be felt to be naive, not because it expresses a religious conviction but because it fails to take into account the complicated semantics that the present situation imposes.

Einbeck and his wife, Marion, however, are inclined to let it be known that they are fervent Catholics and they occasionally express their convictions by recourse to improvised ritual that can be embarrassing to some. At the opening of the show, the Einbecks asked everyone to join hands and observe

Small Talk At Big Parties

International Herald Tribune AS THE party season slips into top gear, a pocket-size book has come out that can give stay-at-homes the rusty feeling of having been out all night and wallflowers the illusion of having had a good chat. Take, for instance: Alan, I'm not awfully certain I like you.

You are going to have dinner with me. This I do insist.

I'd like a glass with a little piece of lemon in it, some tonic, some Gordon's and some ice.

Don't flinch all the time I'm talking to you.

These snatches have been overheard by London's most gifted eavesdropper, Andrew Barrow, and collected in "The Great Book

MARY BLUME

of Small Talk," published in London by Fourth Estate and illustrated by Mark Boxer. Barrow has been noting down other people's conversations in small red notebooks from W.H. Smith since 1966. "As you know I look rather anonymous so nobody wonders what I'm doing," Barrow says. "I never look in the direction of the person speaking and I've always scribbled at different times so I've never looked as if I'm waiting to take dictation." Barrow refers to his slim volume as the tip of the iceberg. "I've got at least 10 times more than this — at least 10,000 quotes, I should think."

with other human beings and then brooding about what they were saying all the time. I brooded over these remarks, some of which at the time hurt me. Once one's put them in a book like this, they're funny, really.

Some are funny, some turgid, some surreal: "I've had every inch of my face complimented. Even my mole." It's not a joke book: Barrow finds it sad in part. His collage of non sequiturs, divided into Party Talk, Office Talk and Pub Talk, has a particular eeriness, as in this Party Talk sequence:

Let's just say I have a clinical interest in you.

Let's have another drink. No, my dear, honestly, I'm perfect. Really I'm fine.

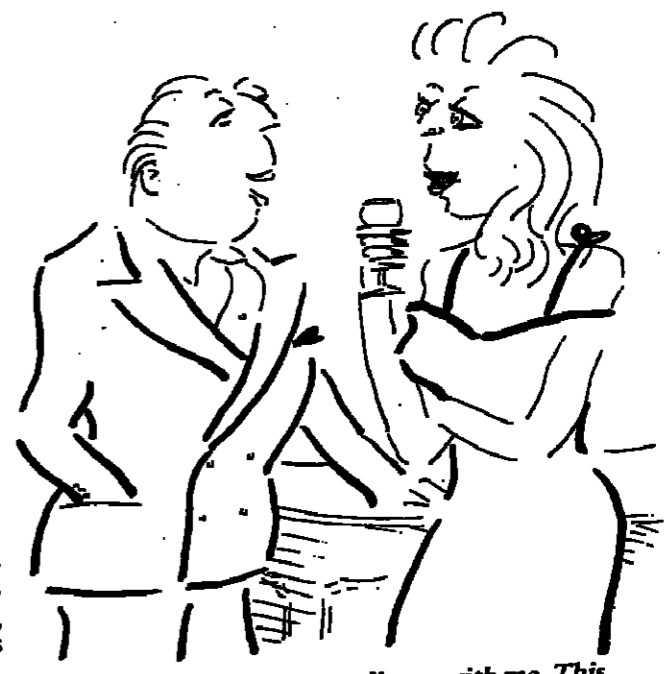
Do you still live in Mayfair? Well I do and I don't.

The moment I got into her flat I knew I was home and dry. Why are smiling in that mad way?

I'm looking forward to it no end. They now think it's a pinched nerve.

"It's not all cliché, some of the stuff is absolutely specific, it's a mixture, isn't it?" Barrow says. "It's as wide as life itself in a way."

Barrow is a mildly eccentric social lepidopterist whose previous books include a selection from English gossip columns from 1920-70 and a gossip history of the Anglican Church. Snatches of his small-talk collection were first published in Punch in 1971. Trivia is his passion — "I myself am completely trivial; I have never been able to draw conclusions," he has said — and his specialty is the marginalia of social history. His interest in trivia is extremely serious. "All my books are serious; this one has been taken seriously by one or two people. This book is a breakthrough for me in the sense it's the first time I've done a book which doesn't have a famous name in it. The book has no names in it at all. I love the idea of imposing order on chaos, collecting a chaotic number of fragments of little remarks and noting them down."



'You are going to have dinner with me. This I do insist.'

best in the world. Party talk, Barrow says, is a wide mixture. "Some of it is very confidential and the other's absolutely platitudinous and idiotic." The Office Talk section, someone told him, begins gently and then becomes ferociously unpleasant. Pub talk is the easiest. "In London you hear people talking about their private lives in pubs in extremely loud voices; you can't help listening to it. There's also a lot of saloon-bar philosophy — things like 'God is good. He always gives you a little bit of something to go on!'"

He is using his eavesdropping technique for his first novel. "It's got a lot of dialogue in it, but it's family talk. It's a very autobiographical novel about my relationship with my father who was a great character as far as I was concerned and quite a mixed-up person but a very good talker, so I've got a lot of quotes."

The technique may not work for fiction, though. "I remember showing some of my family conversation to a publisher a while back and he said, 'This is the sort of thing people read books to get away from.'"



THE FIRST NAPOLEON MALT WHISKY.

The Glenlivet dynasty can be traced back to the eighteenth century when M. Bonaparte's rule began. Today, Scotland's first malt whisky is also first choice in Paris.

Scotland's first malt whisky.

DOONESBURY



The Russian city Volgograd, some 90 miles south west of Volgograd (the old Stalingrad) between the Caspian and Black Sea, had something of a problem. The sewers needed to be completely renovated. But that would mean total confusion in the city centre. What's more, some of the underground areas had become completely inaccessible.

In the Dutch city of Delft, a company called Zegwaard had an idea: Sewer renovation without breaking open streets or ploughing up parks. By recovering the walls of the pipes. On the inside. Technically possible, too. But where on earth do you find a material that is pliable, which hardens at relatively low temperatures, and which is resistant to chemicals, changes of temperature, pressure, impact, and torsion?

In another Dutch city, Heerlen, one of Europe's largest chemical concerns started working on a solution. Some of the 1500 research specialists and scientists at DSM developed a special resin which was ideal for a unique method of renovating sewers and pipes. A durable layer was applied to the inside of the pipes in the form of a sheath. High quality polyester, epoxy, and polyurethane resins have also been developed for a wide range of other applications.



If we don't have a solution, we find one.

The sewers in Russia have been redecorated.

Herald Tribune

Good News From Japan

Comfort and joy are sparse this Christmas for people who worry about incomes, jobs or international debt. Most Northern countries risk seeing a mediocre 1987 followed by a disappointing 1988, and this will rub off on the poorer South. But the horizon shows a bright star in the East. Japan's economy is performing well by international standards.

On Sept. 5 in this space we were skeptical of Japanese assertions about renewed economic growth. Sluggish trends early in the year seemed unlikely to be changed by limited government efforts to lift the economy; at best, Tokyo could get some of the doubt in the favor of the benefits.

Japan is showing a GNP growth clearly above that of any other major economy. And what is supporting this buoyant activity is no longer a growing export surplus but a boom in domestic demand, which is just what the doctors have been prescribing for years. It made little sense for Japan or its partners, to perpetuate the process whereby the economy grew only because it was selling more and more goods to the outside world and restraining the rise of its own living standard. The change is late but welcome.

One factor pushing up spending is the effect of past excessive success in the world export league. The yen has been forced up

by the markets, which makes Japan much better off in comparison with other countries; the Japanese are cashing in on their gains as the rising yen boosts real income at home. Tax reform has also played a role. And home-building is up sharply, despite the high costs of building, because a 6 percent mortgage stretched out over two generations looks attractive if you expect inflation, now very low, to accelerate, shrinking your debt in real terms.

At some stage the rising yen risks booming on domestic demand, because lower competitiveness will shrink the profit margins of the big export industries and force them to reduce the capital outlays on which prosperity still partly depends.

The urge to introduce a value-added tax needs to be resisted. Eventually it will be needed to help support the aging population, but as long as total saving is so high—which is why Japan runs an excessive foreign surplus—the time is not ripe.

Restrictive trade policies persist, especially in the farm sector, where protection is probably higher in Japan than anywhere else in the developed world. And it is unclear how much recent initiatives are going to add to the feeble flow of public aid to the Third World.

Still, give the Japanese credit for their present economic performance.

INTERNATIONAL HERALD TRIBUNE.

Sugar Trade Is a Mess

The United States will import no more sugar in 1988 than it did in 1975. The way things are going, it may soon import none at all. That is splendid for a few thousand protected farmers—but a real deal for everyone else. Hopes of relief have faded what with Congress adjourning, but the administration and consumers need to keep up the pressure for a reduced support price.

U.S. sugar law, in force since 1982, sets the American price, currently 21.8 cents a pound, at more than triple the world market price. At retail, sugar goes for about 36 cents a pound in Washington, D.C., is higher in Europe and still higher in Japan. In Latin America and other Third World countries it is substantially less.

To avoid federal outlays for surplus sugar, Congress ordained that the price be enforced by curtailing imports. If U.S. production rises, imports must fall and the consumer pays. The administration, having no real choice but to obey the law, has just whacked the 1988 quota by 25 percent, to approximately 750,000 tons—down 75 percent since 1982. It could drop to zero by 1990.

The American quota means trouble for the economies of the Caribbean, Brazil, the Philippines and Australia, among others. It also distorts agriculture and food processing at home. The high sugar price has increased the popularity of corn sweeteners and has driven some U.S. food companies over the border to Canada where they can make their cake mixes, cookies and candy with cheaper raw material.

Why should all of America pay three times the world sugar price for the sake of a few farmers? In large measure because the

sugar lobby, rated as one of Washington's most effective, has a solid phalanx of support from the four big sugar-cane states—Texas, Florida, Louisiana and Hawaii—plus a dozen others that grow sugar beets, and lately from the corn belt, too.

The lobbyists point to a major factor driving down the world price: government subsidies that have generated oversupply in Europe. Washington hesitates to sacrifice American farmers to keep subsidized European farmers afloat.

To deflect some of the impact on countries that Washington wants to help, and to help American refiners, Congress has voted to permit importation of an extra 800,000 tons next year from the Philippines and the Caribbean, provided that the refined product is re-exported. The sugar will come in at the American price and be re-exported at the lower world price, with the government making up the difference by giving refiners other surplus commodities. American consumers get no benefit; countries that are not in on the deal resent it.

While the Reagan administration would prefer a free market, foreign subsidies prevent it. But the administration believes, with reason, that a 12-cent support price would benefit consumers and America's trading partners without too much grief for American farmers. Congress continues to turn a deaf ear. On a broader plane, the administration is also pursuing the issue with the Europeans in the new round of global trade negotiations. Meanwhile, Uncle Sugar's unnecessarily high support price gouges consumers and hurts foreign friends.

—THE NEW YORK TIMES.

An Insider Goes Inside

The man who boasted, "Greed is healthy—you can be greedy and still feel good about yourself," will have time now to think about that proposition. Ivan Boesky, the leading figure in the Wall Street insider trading scandal, was sentenced to three years in prison on Friday for his crime. U.S. District Judge Morris Lasker said, "Some kind of message must be sent to the business community that such activities cannot be wholly repaired simply by repaying people after the fact." Was the penalty for this white-collar first offender too harsh? We don't think so. In fact, a good argument can be made that he worked out a very sweet deal with prosecutors, considering the magnitude of his scandalous operations.

Mr. Boesky was well known on Wall Street as an aggressive trader and self-described expert on risk arbitrage. He even wrote a book describing his economic theories and game plans for the market. It turns out, though, that he was not so much a scholar as a scientist who used inside information, not scientific analysis or brains, to build a personal fortune in the hundreds of millions of dollars. His greedy deals hurt thousands of other investors and rocked the public's confidence in the stock market. Implicated early in the scandal by one of his confederates, Dennis Levine, Mr. Boesky

initially faced charges on at least seven felonies involving insider trading.

Within days of receiving an SEC subpoena, however, his lawyers arranged a plea bargain. Mr. Boesky admitted his guilt with respect to one charge, and the government dropped the others and promised not to prosecute him for any other crimes uncovered subsequently. He paid \$100 million to the government. Half was put in what is called a disgorgement fund—a return of illegal profits—to indemnify some of his creditors. The rest was a fine. The fine was paid in stock, which has lost 40 percent of its value since it was transferred.

In exchange for being allowed to plead to a single felony—with a maximum sentence of five years—Mr. Boesky has been cooperating with the government in the broader investigation of Wall Street. His lawyer told Judge Lasker that he had implicated 14 additional suspects and five major brokerage houses, so perhaps the hastily arranged plea bargain paid off. Before you shed too many tears for Mr. Boesky, remember that his family still has millions of dollars in assets, and that he will be eligible for parole in 12 months. This, of course, could change dramatically when those who were cheated by him prosecute their lawsuits.

—THE WASHINGTON POST.

Other Comment

Better to Get Out of Gaza

Shimon Peres has proposed that the Gaza Strip be demilitarized and the Jewish settlements there removed. Whether this would be a unilateral gesture or part of a package is uncertain, and will remain so because Prime Minister Yitzhak Rabin has rejected the notion. Yet it makes political and military sense. The past two weeks may well be seen by Palestinians as a turning point in their fortunes. If so, further chance opportunities

to unnerve the security forces will be taken, with the inevitability of reprisals. That spells at least deep embarrassment for President Mubarak of Egypt, for the Palestinians will put it to him that if he, with his peace treaty, is powerless to improve their situation, the treaty should be abrogated. That would be a disaster. But a de facto withdrawal by Israel from Gaza would relieve a lot of tension and be an earnest of good will toward the remaining Palestinians in occupied land.

—The Guardian (London).

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OPINION

The Outlook Is Bleak for Conventional Arms Control

By Robert Blackwill

CAMBRIDGE, Massachusetts — In the aftermath of the INF treaty, attention in the West is sensibly turning to conventional defense and arms control in Europe. After Mikhail Gorbachev's visit to Washington in the air on this subject, such humming should stop. Significant progress in conventional arms control negotiations in the next several years is quite unlikely.

It is true that Moscow's rhetoric concerning conventional arms control has changed. In calling for deep reductions of conventional arms, the Soviets now routinely use the phrase "reasonable sufficiency" to describe the proper objective of Warsaw Pact and NATO defenses. They call for a transformed European security system based on "new thinking" in which neither alliance has the capacity for surprise attack. They admit that the Warsaw Pact has asymmetric advantages in some conventional weapons systems such as tanks. Moreover, major cutbacks in the Red Army would certainly assist Mr. Gorbachev's efforts to reform and reinvigorate the Soviet economy.

So why the pessimism?

• The Warsaw Pact enjoys conventional superiority in Europe with no prospect that NATO will build up its conventional forces. Moscow could well wish through an arms control agreement with the West to codify its conventional advantages at lower levels. Why should it wish to negotiate them away?

• It is possible that the U.S.S.R. would be willing to trade some armor for Western nuclear weapons and INF, or dual-capable aircraft. After such a deal would further the goal of a denuded Europe and therefore will for the foreseeable future be unacceptable to NATO. So what Moscow wants, NATO will not give.

• The withdrawal of many Soviet divisions from Eastern Europe could incite unrest there and threat

en Mr. Gorbachev's hold on power.

• Any NATO conventional arms control proposal should seek deep cuts in Soviet forces in the western U.S.S.R. as well as major withdrawals from Eastern Europe. James Thomson of the Rand Corporation and I have suggested equal tank and artillery limits for NATO and the Warsaw Pact in the Atlantic-to-the-Urals area and in Central Europe and have argued that because of the immense mass of Soviet reinforcement capability from the U.S.S.R., small reductions, even if asymmetrical, would be worse than nothing. But equal armaments ceilings would require the elimination of tens of thousands of Warsaw Pact and especially Soviet tanks and artillery. This would signal not just an arms control agreement but a fundamental transformation of the postwar political order in Europe. Not likely.

• Verifying such military arms control agreement would be enormously difficult. It would require rapid Western access to thousands of Eastern military installations as well as Soviet willingness to expose, in an exchange of information with the West, the order of battle down to the battalion level. To imagine such military openness—far beyond the INF verification regime—is to contemplate another sort of Soviet Union than even the most accommodating Gorbachev could likely deliver.

• Mr. Gorbachev can reduce the size of the bloated Soviet armed forces unilaterally, thus saving money, without appreciably diminishing the military threat to Western Europe. This could include small Soviet troop withdrawals—no more than four divisions—from Eastern Europe, which would be meant to impress Western public opinion, stimulate NATO reciprocity, allow rapid reintroduction of Soviet forces in time of East European turbulence and avoid stringent verification. In

fact, one could argue that if Mr. Gorbachev really wishes ungrudgingly to reduce Soviet spending on conventional forces, he cannot afford to wait for a treaty with the West that at best could take years to conclude.

All this is not to say that the United States and NATO should give up on this endeavor as hopeless. To do so would both leave the initiative with Moscow and miss the opportunity to test Mr. Gorbachev's fine-sounding phrases. Therefore the alliance needs publicly to put forth soon its concept for conventional arms control in Europe and explain how this concept fits into Western strategy. But to believe that Mr. Gorbachev, no matter how visionary,

though good will and arms control will rescue the West from its conventional inferiority in Europe is to be on the lookout for Santa.

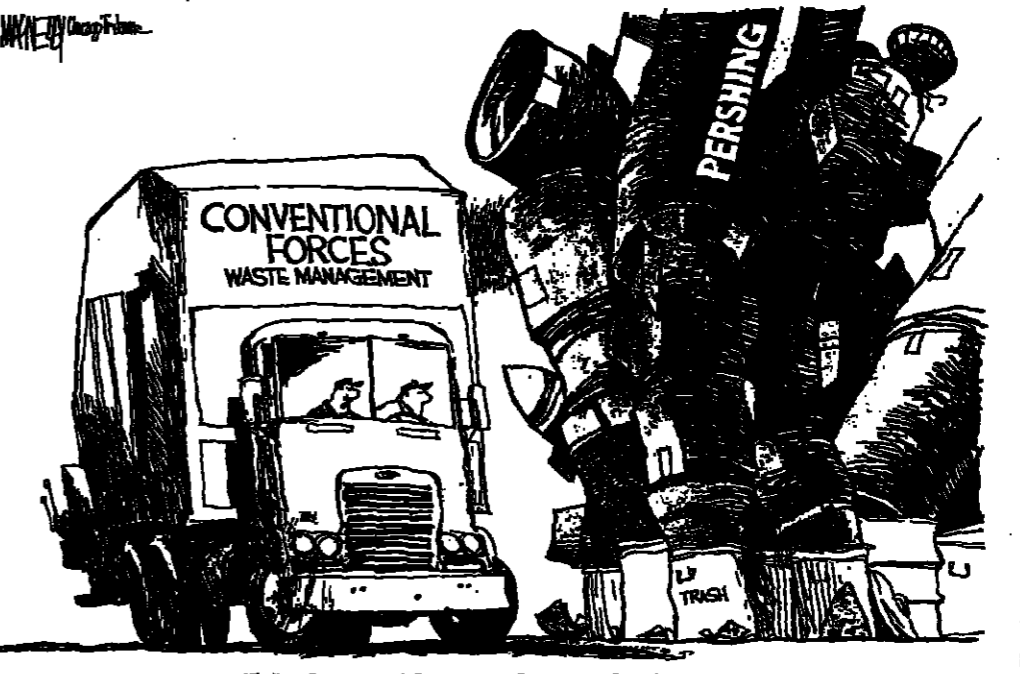
It follows that nuclear deterrence will remain a crucial element in the defense of the West.

After the INF treaty is ratified, we can expect renewed Soviet and Western, especially German, domestic pressure to reduce, even eliminate, battlefield nuclear weapons in Europe with ranges below 500 kilometers. Foreign Minister Hans-Dietrich Genscher of West Germany has stated that he has a commitment from NATO ministers that the alliance will expeditiously press for follow-on talks with Moscow on these short-range nuclear systems, most of which are deployed in the Federal

Republic. Since such a negotiation would serve Moscow's objective of moving toward a nuclear-free Europe, one could expect much more Soviet flexibility here than with respect to conventional forces. Thus NATO's enduring conventional inferiority could be matched by an ever less credible nuclear deterrent.

Call it old thinking or new, this is what Moscow may have in mind. General Secretary Gorbachev can, of course, demonstrate otherwise—but not in the pages of Pravda.

The writer was U.S. ambassador to the conventional force negotiations in Vienna from 1983 until this year, and is now teaching at Harvard's Kennedy School of Government. He contributed this comment to The Washington Post.



'I think we could use another couple of trucks.'

The INF Treaty Turns a Useful Spotlight on Conventional Forces

By Richard N. Haass

CAMBRIDGE, Massachusetts — The treaty eliminating land-based intermediate-range nuclear forces will probably pass the Senate when it comes up for a vote next spring. First will come a prolonged debate that will raise the question of whether the treaty has left America and its allies more vulnerable in Europe. As a result, the treaty's most significant contribution may not be the nuclear arms it eliminates but the new phase of cooperation and therefore will for the foreseeable future be unacceptable to NATO. So what Moscow wants, NATO will not give.

• The withdrawal of many Soviet divisions from Eastern Europe could incite unrest there and threat

arms control success to improve the larger relationship. Agreement to regulate competition in one sphere of the relationship ought not to be confused with a mutual desire, or the ability, to regulate competition everywhere. Arms control agreements can ameliorate a particular problem in relations but cannot transform the relationship. The rivalry is not a problem that can be solved but a condition that can only be managed in parts.

But if the hopes of liberals are likely to be unrealized, so are the worst fears of conservatives. With the exception of the 1972 ABM treaty, after which for several years U.S. spending on ballistic missile defense research declined, all major arms control agreements have stimulated military spending. Administrations have to accelerate military spending in order to assure the military. Congress and public that the accord in question will not nullify the government into an illusory feeling of safety.

Similar assertions of robustness are all but certain to accompany the INF debate. Administration pledges on defense spending could be a quick pro quo for senators whose support is sought for the treaty.

There may, however, be an opportunity in the divergent visions of left and right to exploit the area that is sure to be devoted to the balance of conventional weapons in Europe.

Most statistical measurements show substantial NATO inferiority in tanks, artillery and active divisions. More sophisticated assessments—ones that take into account qualitative factors as well as developments in other theaters, weather, alliance cohesion and NATO-Warsaw Pact mobilization schedules—also point to significant Soviet advantages. Attention to the military balance could eventually create support in America and Europe for increased spending on conventional forces. What is needed is real growth in defense spending of 4 to 5 percent for several years.

However, an appeal to voters to provide much more for defense by raising taxes or reducing domestic spending is likely to be rejected. A more realistic possibility is a fresh policy that seeks to derive more bang for the same amount of bucks. Spending could be targeted on programs that would frustrate the first echelon of invading Warsaw Pact forces. No less important would be efforts to increase NATO's ammunition and war reserve stocks and provide better protection for communications and aircraft. NATO planners should consider selective use of new technologies, tactics that would take the fighting onto Warsaw Pact soil and expanded use of artificial barriers composed of modern sensors and mines.

The West needs to test Mikhail Gorbachev.

It is essential to determine the depth of his commitment to restructuring foreign policy, which heretofore has relied heavily on the threat or use of force. Arms control in Europe provides a perfect opening.

NATO should propose that the Warsaw Pact agree to parity in tanks and artillery. Only in the context of reductions to equal levels of conventional arms should America and its allies even consider additional cuts in nuclear weapons beyond the INF treaty.

At first, an initiative along these lines would almost certainly meet with Soviet rejection. This would not be a reason to forgo such an approach. The INF experience suggests that patience is as much necessity as virtue.

And such talks would provide a backdrop against unilateral American troop withdrawals and a decline in the level of the European defense effort, either of which would diminish allied bargaining leverage during negotiations.

The talks would also pinpoint areas of military imbalance requiring redress and provide the political framework for whatever military modernization is needed in the NATO forces.

If arms control can accomplish all this, it will finally deserve the attention it has been getting.

The writer, who teaches at Harvard's Kennedy School of Government, is co-editor of a book on American-Soviet arms control agreements. He contributed this comment to The New York Times.

Human Rights: The Silence of the Free Helps the Oppressors

By Jimmy Carter

ATLANTA — The United States was one of the first nations to promote the development of international human rights law. It has to date ratified no major human rights treaty. There are only a handful of countries—South Africa is one of them—that have a poor record on this subject as its own.

This does not mean that we are serious violators of human rights. It does mean that our efforts to promote human rights are hampered. By failing to ratify these conventions we weaken the very international institutions that have become the strongest defenders of human rights. Furthermore, the countries we criticize for violations question our authority, since we have refused to accept the obligations we ask them to honor.

In recent years our leaders have lowered their emphasis on human rights. The United States is seriously in default on its payment of dues, both to the United Nations and to the Organization of American States. These organizations are close to bankruptcy. The shortage of funds has had a catastrophic impact on the activities of their human rights institutions. It is imperative, therefore, that our country comply with its financial obligations to the United Nations and the OAS.

Our commitment to human rights must always be clear, consistent, indisputable and unequivocal. The United States must guard against neglect of this issue from either the White House or the Congress. We need a permanent human rights review body in the State Department, and an advocate general who would report to Congress any apparent violations by our government of international law.

We should strengthen the United Nations in every way possible and

revive the long-dormant Costa Rican proposal for the establishment of the office of UN High Commissioner for Human Rights. Such a position, modeled on the office of the High Commissioner for Refugees, is needed to give this effort the institutional importance and high international visibility required for the effective performance of its functions.

Our definition of human rights should not be too narrow. People have a right to full vital economic needs—to be fed, housed, clothed and educated. Civil and political rights must be protected—freedom of speech, thought, assembly, travel and participation in government. The rights of personal integrity are the most obvious of all—freedom from arbitrary arrest or imprisonment, torture or murder by one's own government.

Our humanity requires that we protest whenever violations of human rights occur anywhere, but our effectiveness in moving the world toward more humane treatment of people requires that we make some distinctions. The most serious human rights violations involve attacks on the rights of people to life and freedom.

Torture is still used on a massive scale by governments around the world. In South Africa, even children—many hundreds of them—have been imprisoned and tortured by a government whose cruel apartheid policies have justly earned it worldwide condemnation.

The practice of forced disappearances, a euphemism for murder,

which was exposed in Argentina and Brazil, continues in some Latin American countries and elsewhere.

Not only are the police and military officials practicing or tolerating torture and murder, but there is strong evidence to suggest the active collaboration of attorneys and physicians, a shameful perversion of professions sworn to justice and healing.

One-party, oppressive regimes of the left and right dominate Africa and the Middle East, and still exist in Asia and Latin America. The Soviet Union and its satellites and the People's Republic of China systematically violate basic civil and political rights to individuals and groups.

Most of these countries tolerate no political dissent, deny freedom of expression and severely limit freedom of movement and travel.

When authoritarian and totalitarian governments display signs of liberalization, as seems to be occurring with glasnost in the Soviet Union and progress toward free elections in South Korea, these trends should be encouraged by the international community.

The best assurance that fundamental personal rights will be respected is within democratic systems, where people can replace their leaders peacefully by secret ballot and where independent courts can prevent the arbitrary use of power.

The initial signs of transition toward democracy in Haiti were welcome, but that country has recently suffered a setback by inaction or outright obstruction of elections by the military government.

A similar need exists for free elections in Chile, where citizens have long cried out for the right to choose their own leaders, to escape oppression and to shape the destiny of their nation.

The sweep of democracy across Latin America in the last decade is a source of joy for all of us, but many of these new democracies are still fragile and face serious human rights dilemmas. The question of whether to give amnesty to those who murdered or "disappeared" others is a most difficult one for these new democracies. The heavy burden of external debt prevents the alleviation of poverty, homelessness and starvation.

Even long-standing democracies

suffer from human rights problems. Palestinians in the West Bank and Gaza are now in their 21st year of living under military occupation, deprived of political and economic rights. Some Israeli leaders are eagerly seeking a peace agreement with their neighbors that would end human rights abuses in the occupied territories; others are not so concerned about this tragedy.

The United States finds itself among a diminishing group of nations that imposes the death penalty on children. Recently the Inter-American Commission on human rights ruled that by engaging in this practice our nation was in plain violation of its international human rights obligations. It is worth noting that while our own resort to executions is on the increase, most countries of Western Europe have recently signed an international agreement outlawing the death penalty altogether.

South Africa should be high on our agenda for the new year. Given the worsening human rights situation there, the United States and other nations must develop stronger policies, including a broad range of economic sanctions, to compel Pretoria to end apartheid and withdraw from its unlawful occupation of Namibia.

Cox News Service.

Present and former world leaders should join in a solemn effort to stop the practice of torture and forced disappearances. As a first step, the United States and all other nations should ratify the UN and OAS treaties outlawing torture.

International organizations of lawyers and medical doctors should commit themselves to exposing and stamping out these crimes, about which some of their fellow practitioners almost always have special knowledge.

The inseparable link between human suffering and wars of revolution must be more clearly understood.

As the most powerful and influential country on Earth, the United States has a special responsibility. Ours should be the highest of all standards. Our voice and our example, reverberate throughout the world. And so does silence from Washington. This silence is what oppressors desire and what victims fear most. Jacobo Timerman, who was one of the courageous survivors of persecution in Argentina, said: "What there was, from the start, was the great silence—that silence which can transform any nation into an accomplice." We must not be accomplices of those who commit human rights crimes.

Cox News Service.

100, 75 AND 50 YEARS AGO

1887: Plan for Bulgaria

BERLIN — I have reason to believe that since yesterday [Dec. 20] an interchange of telegrams has been going on between Berlin, Vienna and St. Petersburg, with regard to the Bulgarian question. A general officer is to be sent out to the Principality as representative of the Powers who signed the Berlin Treaty. He will be supplied with a joint commission to rule the country. A conference is to be called to settle the Bulgarian question. It is hoped that a conflict will be avoided and that relations between Russia and the two allied Empires will regain their normal character.

1937: Cash for Delivery

TOOLEE, Utah — Babies, 1938 model, will be cash for delivery if Dr. J.H. Peck is their usher. The physician inserted this notice in a newspaper here: "In 1937 I delivered seventy-five babies in Toolee. I got paid for fifty of them in the most prosperous year in Toolee's history. I do not need the experience, but I do need the sleep. I will do no deliveries during 1938 that are not paid for before delivery takes place."

1912: If the Talks Fail

PARIS — In a statement on the European situation, Raymond Poincaré, the Prime Minister, intimated that if the peace negotiations in London between the Balkan States and Turkey were broken off, the Powers would intervene to prevent the conflict

Joy's initials

OPINION

Linkage Isn't a Bad Idea, But Don't Mix the Links

By Charles Krauthammer

WASHINGTON — It seems that every American politician has his idea of linkage. In April, Sam Nunn urged that an Intermediate-Range Nuclear Forces Treaty be linked to reductions in the Soviet tank force. Jack Kemp wants INF linked to rectification of Soviet violations of previous treaties. Robert Byrd advised Mikhail Gorbachev that Senate ratification of the INF treaty would be helped by a Soviet announcement of withdrawal from Afghanistan.

The problem with free-for-all linkage is that, given the number of things America wants from the Soviets and the number of things they want from it, the number of possible permutations on linkage is infinite. And too much linkage yields none: The Soviets will never know which linkages America is really serious about. Instead they are likely to conclude that linkage is simply the American way of sinking, and then blaming the Soviets for sinking, reachable agreements by holding them hostage to unrelated and impossible demands.

Linkage is an important tool in dealing with the Soviets, but to be effective it must be used sparingly and logically. The cardinal rule must be: Link like with like.

Link arms control to arms control. President Reagan is now in a position to conclude a dramatic strategic arms agreement. The distance between his Strategic Defense Initiative position and the Soviets' — whether or not to permit testing in outer space during the next seven to 10 years — is small. Moreover, the Soviet position is the same as the Senate's. It is being imposed on the administration regardless.

Time to cash in the chip. But for what? For two things. First, for a dramatic cut in Soviet land-based ballistic missiles, which pose the threat of surprise (first-strike) attack. At the Washington summit, Mr. Reagan asked for that and did not get it. In return for agreeing to live by the narrow interpretation of the ABM treaty for seven to 10 years, the United States should insist on a strict sublimit of warheads on land-based missiles.

Second, link the SDI/ABM concession to a new agenda for arms control, namely, no more nuclear talks until the

major non-nuclear arms issues are resolved. Until the questions of chemical and biological weapons and the imbalance of tanks and artillery on the central front in Europe have been settled, no more talk about nukes. No talk of further reducing America's strategic nuclear deterrent. And no talk of eliminating battlefield nuclear weapons in Europe. Pressure is already building in West Germany to get rid of battlefield weapons. And it is a supreme Soviet objective to encourage the denuclearization of West Germany in the hopes of neutralizing and detaching it from the Western alliance. America's price for SDI must be Soviet agreement to table all talk of further nuclear reductions.

Link regional issues with regional issues. The Soviets know they can no longer win in Afghanistan. What they have to show for their efforts is, in the words of one diplomat, "socialism in one city." They want out. The longer they wait to withdraw, the longer they bleed.

They want a deal. Why give it to them? Washington should say to Mr. Gorbachev: Afghanistan is your problem. You got in, you get out. You were no help to us in Vietnam and we believe in reciprocity. It is in our interest to see you leave Afghanistan by helicopter off the roof of the Soviet Embassy in Kabul. We want a rout, not a settlement.

You want our help to prevent a rout in your backyard? Then you help us in ours. You want a settlement rather than a defeat in Afghanistan. We want a settlement rather than a defeat in Nicaragua. We will use our leverage to guarantee a nonaligned, neutral Afghanistan if you use yours to help guarantee a non-Communist Nicaragua. Our opening demand: Cut off military aid to the Sandinistas.

Human rights. On arms control and regional conflicts, there is some symmetry between the superpowers. On human rights there is none. America cannot link their human rights issues to its own because they deny their people freedom and America doesn't. Nor does it make sense to link human rights to arms control or to regional conflicts. No president will or should refuse an arms control treaty because of low emigration rates from the Soviet Union.

Leverage on human rights must be non-military and non-strategic. Trade, for example. Fortunately, the necessary law, the Jackson-Vanik Amendment, is already on the books. It needs only to be guarded against those ready to deal it away for Mr. Gorbachev's sunny smile. If the Soviets show themselves more humane to their captive populations, America will reciprocate economically.

Linkage is a good idea, but only if you don't mix linkages. Don't link arms control with human rights. Or regional conflicts with trade. And don't link INF with anything. That treaty is done, but they could kill it.

—Senator Alan Cranston, a California Democrat, in *The New York Times*.

Washington Post Writers Group.



When the Other Woman Wasn't a Flaw

By William vanden Heuvel

HYDE PARK, New York — Wendell Willkie was chosen in a grassroots political revolution that took the nominating process away from the political bosses. He was an Indiana farm boy, an outspoken critic of President Franklin Roosevelt's domestic policies, an internationalist — and a Democrat until a few months before his nomination as the Republican standard-bearer.

Mr. Willkie, who lived in Manhattan, was a courageous and powerful personality, admired for integrity, independence and the Horatio Alger character of a career that had brought him wealth and influence. He was also a "womanizer."

Among his principal political lieutenants was a brilliant lawyer, Bartley Crum. Many years after the 1940 Roosevelt-Willkie race, I lunched with Mr. Crum. I was a young lawyer and an uncompromising admirer of Roosevelt. I never forgot one story Mr. Crum told. According to Mr. Crum, a reporter approached Mr. Willkie after his nomination and told him that he had information that he was living with a woman other than his wife. "Yes," Mr. Willkie reportedly replied. "I am in love with another woman — and I don't intend to apologize for that or to pretend that it isn't so. If you print this story, my campaign for the presidency is probably over. But

that is your decision. I have made mine."

I always believed that this was one of the bravado stories that emerge from campaigns. If the story was that well known, why wouldn't the Roosevelt campaign have used it to advantage? Why wouldn't some magazine or newspaper have printed such a dramatic story, if only to beat a competitor to it?

I regarded the story as more fantasy than fact — at least, I did until reading an

MEANWHILE

admiring biography of Mr. Willkie that was written by Steve Neal. Mr. Neal writes: "Willkie was a ladies' man and he looked for romantic flings." Mr. Willkie's associates linked him with a variety of women ranging from secretaries to movie stars. Gardner Cowles, publisher of *Look*, one of America's most popular magazines, and a media owner of great power, who, with Henry Luce, used his publications to promote Mr. Willkie's career, is quoted as saying: "He was not at all discreet. I thought [his behavior with women] was careless and stupid."

Mr. Neal described the situation that occasioned Mr. Crum's reminiscence

years before. Wendell Willkie fell in love. Irita Van Doren, the brilliant, widely admired book editor of *The New York Herald Tribune*, had divorced her husband. She met Mr. Willkie the next year and began a friendship that was nurtured by a mutual interest in books and the history of the South. Their affection deepened into a love that never wavered and that Mr. Willkie never denied.

They essentially lived together. They traveled together. They were invited together to the homes of friends and business associates. Columnist Joseph Alsop observed, "They were very much like a married couple" — except that Mr. Willkie was married to someone else. As his presidential aspirations became plausible, his advisers urged that Mrs. Van Doren be kept in the background.

According to Mr. Neal: "Willkie resented the hypocrisy of politics and believed his private life was his own. He took chances that other political figures wouldn't take." He even scheduled a press conference at Mrs. Van Doren's apartment. "Everybody knows about us — all the newspapermen in New York," he told friends. "If somebody should come along to threaten or embarrass me about Irita, I would say, 'Go right ahead.' There's not a reporter in New York who doesn't know about her."

Edith Willkie apparently remained devoted to her husband. She is quoted as saying, "I can find more pleasure in walking down the street with him than in anything else I know."

Mrs. Van Doren feared that Mr. Willkie's nomination would end their relationship. The nominee assured her that they would resume once the election was over. (If he had won, would he have sought a divorce? I don't know.) Their relationship was never publicly mentioned in the campaign. Franklin Roosevelt won, but Mr. Willkie became his ally in gaining crucial support for the policy of aiding Britain in resisting the dictators.

Wendell Willkie's book "One World" was a powerful force in guiding the United States toward the necessity of international cooperation and the creation of the United Nations.

As the Democratic Party's morality play of 1988 unfolds with the return of Gary Hart to the campaign, the story of Wendell Willkie reminds us of a time when there was a distinction between "public" and "private" lives.

I do not write this in support of Mr. Hart. He has many long miles to travel before those who want the Democrats to win the 1988 election should make a decision about his candidacy.

But if Mr. Willkie ran today, he would be considered fatally flawed. Unlike today's critics, his contemporaries did not assume that his relationships with women would affect his capacity to lead and govern. He remains one of the most exciting, influential Americans of this century. Any country should be careful before destroying progeny of such quality and talent.

The writer, a lawyer and diplomat, is president of the Franklin and Eleanor Roosevelt Institute. He contributed this comment to *The New York Times*.

LETTERS TO THE EDITOR

Progress, and Gorbachev's Survival, Are Up to the Senate

The media spotlight on Senate debate of the INF accord has awakened Americans, and many observers overseas as well, to the vital importance of ratification for the continuation of constructive East-West dialogue. As American students of international relations at the London School of Economics, we wish to offer our perspective.

We share the national security concerns of those at home, yet sense a broader issue at stake. Never has the moment been riper for both sides to make political capital out an admittedly limited agreement. For the climate which it fosters, as well as its arms control dimension, we feel that a swift and positive Senate response to the treaty is imperative.

The Senate should play a crucial role in the American political process by ensuring that agreements negotiated by the White House are in the best interests of the people. Its review of the INF treaty must not become a "rubber stamp" exercise. But crippling amendments would do the nation and the world a great disservice.

Let anyone think nonratification would lead to the same tacit adherence that SALT-2 commanded, we emphasize that Mikhail Gorbachev is not Leonid Brezhnev; his political survival depends on INF's acceptance in fact, not merely in principle. Senate rejection of the treaty would destroy both Mr. Gorbachev's foreign policy and any hope of Moscow offering concrete disarmament proposals for years to come.

That we must prevent. Global political progress depends on constructive ex-

change as much as U.S. security does.

America has consistently stated its support for arms control and disarmament. Now is the time to translate those words into action. If Richard Perle (a former student at the London School of Economics) is inclined to support the treaty, it seems surprising that stiff criticism of it persists. The Senate must approve the treaty or expect the "good-faith" initiatives of the United States, such as the zero option, to be interpreted as little more than empty rhetoric.

No utopian outcome is guaranteed by ratification. With all its imperfections, however, the INF agreement is the greatest positive stride in East-West relations in this generation.

CHRISTOPHER J. CASTLE, MICHAEL J. DEVINE, STEPHANIE GAINES, TERESA MCGLASHAN, London.

Again, like SALT-2 in 1979, a historic agreement has been signed by the superpowers. But will the Senate ratify it this time? Might it not have been better to sell the INF treaty to Congress before inviting Mikhail Gorbachev for the signing festivities? And if Congress and the president were elected simultaneously, every four or five years, the United States might become governable.

J.E. BENTZON, Bergen, Norway.

In "Europe Looks Beyond U.S.-Soviet Treaty" (Nov. 27), Joseph Fitchett writes about Europe's "recollections of the Sen-

ate rejection of the SALT-2 treaty." There was opposition in committee, but the full Senate never rejected the treaty. In January 1980, President Carter asked the Senate to defer consideration after the Soviet invasion of Afghanistan in 1979.

ESKIL SVANE, Montpellier, France.

Remember the Difference

A. M. Rosenthal, in "Remember: As a Meadow Differs From a Prison Yard" (Dec. 9), speaks for the America we respect and love. People in Central and Eastern Europe, and their fellow countrymen in the West, are grateful to him and to the *International Herald Tribune* for this timely warning. Mikhail Gorbachev's strategy — which Mr. Rosenthal detects and denounces — of seeking recognition of supposed moral equivalence shows through clearly in the misinformation hidden among the lofty platitudes in his book "Perestroika."

S. GROCHOLSKI, Hamme-Mille, Belgium.

What Nordic Static?

I find John C. Ausland's comments in "After the Summit, Shultz Might Hear Nordic Static" (Dec. 9) puzzling. He states that Norwegians ought to quit being so politic — but what are they to get worked up about? That the United States viewed the sale of high technology by the Kongsberg arms firm to the Soviet Union as a serious breach? The Norwegian government is of the same mind.

That former Prime Minister Kaare Willoch of Norway was denied the post

of NATO secretary-general? This does not seem like grounds for deep-set annoyance — disappointment yes.

That the United States is pre-positioning materiel in Norway to supply a marine brigade in support of Norway's defense? A touchy subject in Norway, but a move that is welcomed by the military and the government.

I find a casual relationship to be a good relationship when one of the governments must keep in mind a loud anti-NATO minority and both governments represent proud, opinionated people who would resent any type of open retreat in the face of an ally's pressure.

ERIK INGARD HODNE, Oslo.

Malaysia's Print Law

Regarding the editorial "Backward in Malaysia" (Dec. 2):

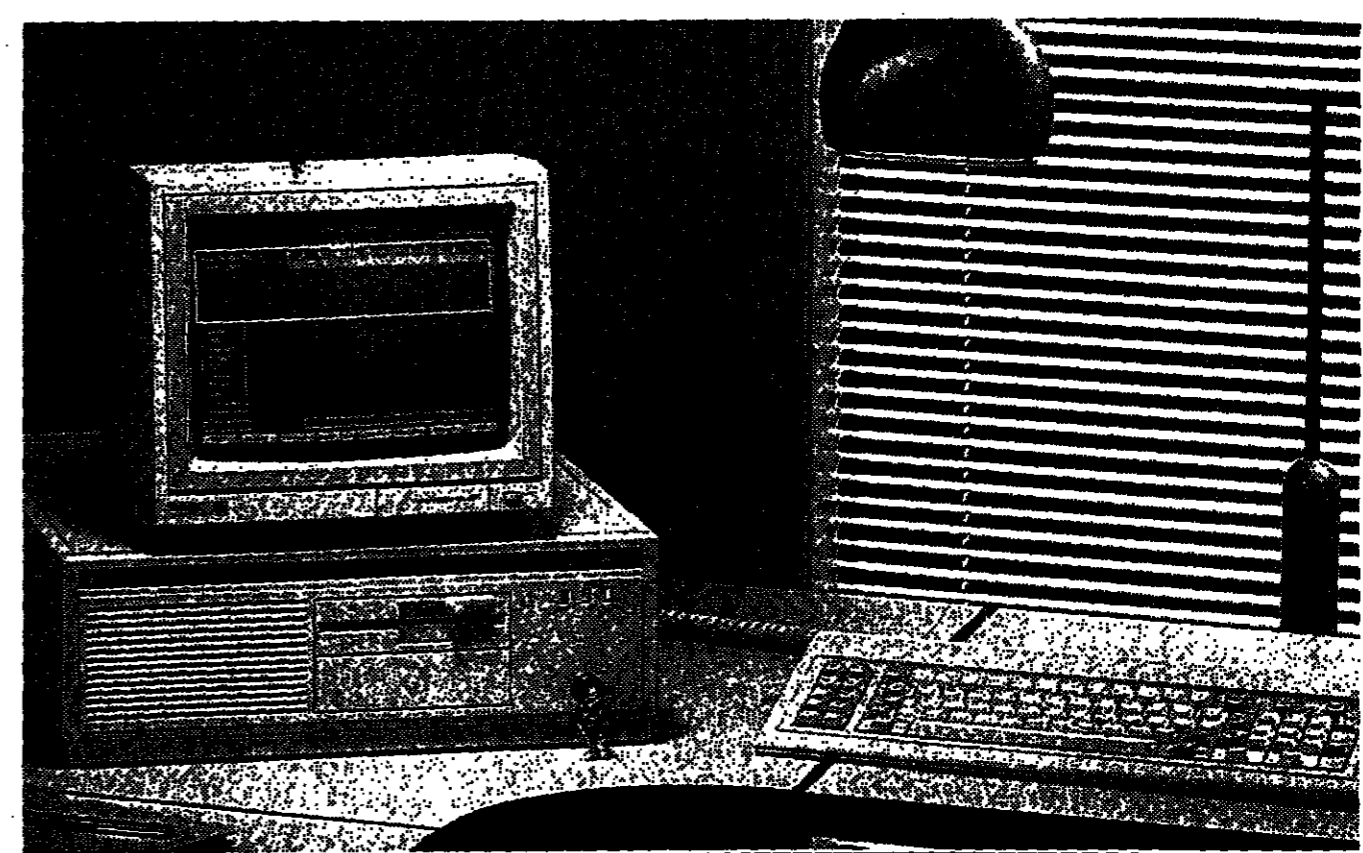
It is unfortunate that *The New York Times* viewed the recent amendments to the Printing Presses and Publications Act of 1984 negatively. They are designed to safeguard Malaysia's political stability and continued economic development. While updating a number of provisions of the act, the amendments render it more effective: They spell out precisely the parameters in which various branches of government, the press and the public can operate unambiguously, and they protect the harmonious, and understandably delicate, fabric of the multiracial society from being subjected to provocative, misleading and incorrect information.

DATUK ISMAIL AMBIA, Ambassador of Malaysia, Paris.

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Philips takes video into the computing age.



For example the style-setting Matchline, which brings a complete system approach to home video, TV and audio enjoyment. Based on a choice of perfectly matched components that meet today's highest standards of picture and sound quality, as well as unmatched convenience of operation. And with a single, multi-function control centre that makes remote operation of your complete integrated audio and video system even easier than ever.

The outstanding performance and simple control of our consumer products is based directly on our leading technology in professional electronics. The technology that takes video into the computing age.

Philips. The sure sign of innovation.



Vol.	High	Low	Last	Chg.
AT&T	27 1/2	27 1/4	27 1/2	+1/4
IBM	125 1/4	125 1/8	125 1/4	+1/8
GenCorp	23 1/4	23 1/8	23 1/4	+1/8
Merck	49 1/4	49 1/8	49 1/4	+1/8
Amgen	21 1/4	21 1/8	21 1/4	+1/8
Amgen	21 1/4	21 1/8	21 1/4	+1/8
Amgen	21 1/4	21 1/8	21 1/4	+1/8
Amgen	21 1/4	21 1/8	21 1/4	+1/8
Amgen	21 1/4	21 1/8	21 1/4	+1/8
Amgen	21 1/4	21 1/8	21 1/4	+1/8

NYSE 4 a.m. volume	NYSE 4 p.m. volume	NYSE prev. close	NYSE volume	NYSE volume down	NYSE volume up	NYSE volume down	NYSE volume up
161,790,000	304,219,500	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000
1,470,000	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000
1,470,000	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000
1,470,000	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000
1,470,000	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000

High	Low	Close	Chg.
139.46	139.28	139.46	+0.18
139.28	139.28	139.46	+0.18
139.28	139.28	139.46	+0.18
139.28	139.28	139.46	+0.18
139.28	139.28	139.46	+0.18

Monday's NYSE Closing
Via The Associated Press

Close	Prev.
20.00	20.00
20.00	20.00
20.00	20.00
20.00	20.00
20.00	20.00

Close	Chg.	Week Ago	Year Ago
127.25	+1.75	127.25	127.25
127.25	+1.75	127.25	127.25
127.25	+1.75	127.25	127.25
127.25	+1.75	127.25	127.25
127.25	+1.75	127.25	127.25

Vol.	High	Low	Last	Chg.
100	100	100	100	0
100	100	100	100	0
100	100	100	100	0
100	100	100	100	0
100	100	100	100	0

Close	Chg.
85.19	-0.03
85.19	-0.03
85.19	-0.03
85.19	-0.03
85.19	-0.03

Close	Prev.
139.46	139.28
139.46	139.28
139.46	139.28
139.46	139.28
139.46	139.28

Buy	Sales	5%T
29,211	59,629	1,178
29,211	59,629	1,178
29,211	59,629	1,178
29,211	59,629	1,178
29,211	59,629	1,178

Open	High	Low	Last	Chg.
1744.4	1748.5	1742.5	1744.4	+15.0
1744.4	1748.5	1742.5	1744.4	+15.0
1744.4	1748.5	1742.5	1744.4	+15.0
1744.4	1748.5	1742.5	1744.4	+15.0
1744.4	1748.5	1742.5	1744.4	+15.0

High	Low	Close	Chg.
289.18	288.50	289.18	+0.67
289.18	288.50	289.18	+0.67
289.18	288.50	289.18	+0.67
289.18	288.50	289.18	+0.67
289.18	288.50	289.18	+0.67

Close	Prev.
127.25	127.25
127.25	127.25
127.25	127.25
127.25	127.25
127.25	127.25

High	Low	Close	Chg.
256.78	256.37	256.78	+0.41
256.78	256.37	256.78	+0.41
256.78	256.37	256.78	+0.41
256.78	256.37	256.78	+0.41
256.78	256.37	256.78	+0.41

12 Month High	Low	Stock	Div. Yld.	PE	52 Wk High	Low	Close	Chg.
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50

NYSE Up in Moderate Trading

United Press International
NEW YORK — Prices on the New York Stock Exchange extended their December advance Monday in moderate trading as Wall Street began to settle into a pre-holiday slowdown.
 The Dow Jones industrial average, which had climbed 108.26 points last week, rose 15.08 points to close at 1,990.38. The Dow has risen in 9 of the past 11 sessions for a net gain of 223.64 points.
 Advancing issues led declines, 932-715. Volume totaled 161.79 million shares, lower than 276.23 million on Friday.
 Broad market indexes gained slightly. The NYSE composite index rose 0.34 to 139.46. Standard & Poor's 500-stock index rose 0.38 to 289.18. The price of an average share added 7 cents.
 "This is a typical pre-holiday market that seems to have an upward bias," said John Burnett, senior vice president at Donaldson Lufkin & Jenrette.
 "The institutions are more inclined to buy than sell. It will probably be a decent market between now and Jan. 1. It might even get duller as we get toward Christmas Eve, if it can get any duller than this."
 Mr. Burnett said the technical analysis he has talked to say they believe that if the Dow industrials can hold above 1,975 for a few days in a succession, the market could start testing the 2,025 level.
 "We have a market where sellers appear to have taken a holiday," he said.
 Hildegard Zagorski of Prudential-Bache Securities Inc. said, "The market got off to a reasonably good start today, and we don't see anything that would deflect the upturn. We are getting cracking on the budget-reduction plan, and there is the possibility of a G-7 reaffirmation of the Louvre accord" on stabilization of currencies.
 West Germany has confirmed that the G-7, or Group of Seven nations, which consists of the United States, West Germany, France, Japan, Britain, Canada and Italy, plans to issue a statement on currency stabilization, but has said no date has been set.
 "Everything is going rather nicely," Ms. Zagorski said. "Our technical analysts see the Dow at around 2,400 by June."
 "We might get a slowdown in the next couple of days. It's possible there could be a minor pullback. And it's possible it could just forge ahead. Overall, we're saying things are looking positive. We are bullish for the month of January."
 Texaco was the most active NYSE-listed issue, off 1 to 37 1/2. The company filed on Monday a bankruptcy reorganization plan under which it will pay Pennzoil Co. \$3 billion in cash to settle their legal battle over Getty Oil Co. Pennzoil was down 1 1/2 to 77 1/2.
 General Electric followed, up 1/4 to 46. Storage Technology was third, off 1/4 to 14. AT&T was down 1/4 to 28 1/2. IBM was up 1/4 to 118.
 Among other blue chips, American Express was up 1/4 to 24 1/2. Merck was up 1/4 to 51 and USX was ahead 3/4 to 30 1/2.
 Prices were higher in active trading on the American Stock Exchange.

12 Month High	Low	Stock	Div. Yld.	PE	52 Wk High	Low	Close	Chg.
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50

12 Month High	Low	Stock	Div. Yld.	PE	52 Wk High	Low	Close	Chg.
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50

12 Month High	Low	Stock	Div. Yld.	PE	52 Wk High	Low	Close	Chg.
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50

12 Month High	Low	Stock	Div. Yld.	PE	52 Wk High	Low	Close	Chg.
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50
14.00	13.00	AA	0.00	10.00	14.00	13.00	13.50	+0.50

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TUESDAY, DECEMBER 22, 1987

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INTERNATIONAL STOCK MARKETS

International Bond Funds: Already Past Their Prime?

By BILL SING Los Angeles Times Service LOS ANGELES — Although the falling dollar has helped international bond mutual funds become shining stars since the stock market peaked in late August, some experts wonder whether these funds may soon lose their glitter. The funds — most less than a year old — invest primarily in foreign bonds, with some investing in U.S. bonds as well. As such, they can gain in any of three ways. First, they gain from interest yield on the bonds. That can range from 4.7 percent for 10-year Japanese government bonds to 14.9 percent for 5-year New Zealand government bonds. Second, they can profit from lower interest rates overseas, which boost bond prices just as lower U.S. interest rates aid domestic bonds. Third, and most important, they benefit from the rising value of foreign currencies relative to the dollar. Foreign bonds, like any item denominated in foreign currencies, gain value when those currencies rise relative to the dollar. For most of this year, all three factors have worked in favor of international bond funds. They are up 17.58 percent for the year to date through Thursday, making them the third best performing fund group after gold funds (up 36.68 percent) and option growth funds (up 30.49 percent), according to Lipper Analytical Services, a New York firm that tracks mutual funds. Since late August, when stocks peaked, international bond funds are up 8.18 percent, the only group with positive returns in that period. By contrast, international stock funds, which invest in foreign equities, are up 11.87 percent this year, as declines in stocks worldwide wiped out some of the currency-related gains. All equity funds on average are up 0.17 percent so far this year.

Whether the performance can be sustained depends largely on the dollar.

Whether the funds' impressive performance can be sustained, however, depends largely on whether the dollar continues to fall. Most economists think it will, because progress on cutting the U.S. trade and budget deficits will be slow. Edward A. Taber 3d, portfolio manager of the T. Rowe Price International Bond Fund, said he would not be surprised if the dollar fell 10 to 15 percent further in the next year. Some overseas interest rates also could decline further, said Leslie J. Nambarg, manager of Massachusetts Financial International Trust-Bond Portfolio, the oldest international bond fund. Foreign central banks, he says, have become more concerned about recession than inflation. So they will be more inclined to pursue easy money policies, which drive down interest rates. Others are not so sure. Easier money may initially drive down interest rates but will eventually produce higher inflation, which in turn will push interest rates higher, argued Michael D. Hirsch, who manages mutual fund portfolios at Republic National Bank of New York. "You could have a double whammy," Mr. Hirsch said of the adverse effect of higher inflation and interest rates on international bond funds.

Some economists also disagree with conventional wisdom and contend that the dollar is poised to rally. If that happens, the key to whether the funds can continue their strong performances depends largely on how well they hedge foreign currency risks and shift their portfolios into dollar-denominated bonds. For example, when the dollar rallied in late spring and summer this year, the T. Rowe Price fund shifted into dollar-denominated bonds, as well as into bonds denominated in currencies that also do well when the dollar is rallying, such as the Spanish peseta and the Italian lira, Mr. Taber said. Accordingly, the fund maintained its strong returns, he said. Accordingly, many experts say prudent investors should put a fraction of their money into international bond funds — say, no more than 5 percent or 10 percent.

For 2 Oil Foes, the \$3 Billion Question

Pennzoil Could Use Prize To Invest, Triple Reserves

By Thomas C. Hayes New York Times Service DALLAS — Now that a long-sought settlement plan with Texaco Inc. has been filed, J. Hugh Liedtke stands at the twilight of a remarkable career facing a challenge that most industrialists only dream of: what to do with \$3 billion. Mr. Liedtke, 65, took control of Pennzoil Co. in 1962. He has been its only chairman and chief executive since dissident directors of Pennzoil's forerunner, South Penn Co., named him to the posts at age 39. The leader of the dissident group was J. Paul Getty. Known for inventive financing and for recruiting a team of capable managers, Mr. Liedtke has built a company so consistently profitable that an investment of \$1,000 in Pennzoil 25 years ago would be worth more than \$120,000 today. Six companies that he has headed or created are listed on the New York Stock Exchange. In a brief telephone interview Sunday from his secluded home west of downtown Houston, where Pennzoil is based, Mr. Liedtke said he probably would step down as chief executive at Pennzoil's annual meeting next spring, if the payment from Texaco arrived on schedule. He said he intended to remain as chairman. Mr. Liedtke declined to discuss the dramatic negotiations that led to the settlement, which he signed early Saturday in New York and which was filed Monday. "The damn thing, I think, is done," he said. "We plan to support the plan. The difficulties are behind us, and there is no use in baring on them." The agreement calls for Pennzoil to pay \$3 billion in cash to Texaco in lieu of the \$10.3 billion it owed as a result of a court judgment. It also requires Texaco to pay \$2.5 billion to the rest of its creditors, which represents payment in full. Mr. Liedtke has a wide range of options. He could park the \$2 billion in Treasury bills, eliminate debt, pay a one-time dividend of at least \$40 a share, or perhaps triple Pennzoil's oil and gas reserves through acquisitions. Two years ago, Mr. Liedtke said he would take some steps in each of those directions to make Pennzoil "a major factor in the oil business." That was on Dec. 11, 1985, the day after a former divorce lawyer, Judge Solomon B. Casse Jr. of a state district court in Houston, upheld a jury's

Major Players in the Texaco Case

Grid of portraits and names of major players in the Texaco case, including James W. Kinneer, Alfred C. DeCrane Jr., David Boies, John K. McKinley, J. Hugh Liedtke, and Joseph P. Small Jr.

Texaco Must Sell Assets, Find Oil, Fight Takeovers

By Richard W. Stevenson New York Times Service NEW YORK — Texaco Inc. has survived one of the fiercest, most unpredictable and costly legal battles in history, but its problems are by no means over. Indeed, when it emerges from bankruptcy proceedings next year, Texaco will be forced to address fundamental business issues that were shunted aside during the four-year legal dispute with Pennzoil Co. And Texaco may continue to labor under the possibility of a hostile takeover that could do what the Pennzoil litigation did not: break up the company. Texaco is still plagued, as it was before its 1984 acquisition of Getty Oil Co., triggered the Pennzoil litigation, by rapidly depleting oil reserves. It has what analysts call one of the industry's worst records at finding new oil, and low-margin marketing and refining operations. Texaco acknowledged that a major restructuring is in order once its reorganization under Chapter 11 of the federal bankruptcy laws is complete, probably in the spring. In its statement announcing the settlement with Pennzoil on Saturday, Texaco said it would work with its investment adviser, Morgan Stanley & Co., to take steps to improve the company and increase its stock price. In a telephone interview Sunday, James W. Kinneer, Texaco's chief executive, said the company would undertake a financial re-

BA, in New Bid, Wins Control Of Caledonian

By Warren Getler International Herald Tribune LONDON — British Airways PLC said Monday that it had gained control of British Caledonian Group PLC through a sweetened \$250 million (\$456.5 million) offer, ending a six-month quest to swallow its rival. Clinging BA's bid was the decision of a venture capital group, Investors in Industry, to sell its 41.4 percent holding in Caledonian to BA at an improved price of £12.15 per share. It was the biggest single stake in Caledonian, a privately held carrier that has been plagued by debt and losses. The new bid compared with BA's previous offer of £9.72 per share. Investors in Industry is owned by Britain's major clearing banks and the Bank of England. The move signaled the defeat of a bid by Scandinavian Airlines System for a 26 percent stake in Caledonian. BA will now gain access to Caledonian routes to the United States, enabling it to compete with giant U.S. carriers. BA had purchased just under 10 percent of Caledonian's shares last week. Its revised offer received the unanimous recommendation of Caledonian's board Monday. BA originally had offered to buy all of Caledonian in July in a stock swap valued at about £237 million. But it slashed the offer after the October stock market collapse. The £147 million in stock or about £119 million in cash. Earlier this month, a bid by SAS won British regulatory approval after the Scandinavian carrier reduced the size of the stake it was seeking. SAS ended up offering £110 million in cash for an initial 26.14 percent stake, valuing Caledonian at nearly four times BA's full £119 million offer at that time. British Airways responded by raising its cash offer first to £200 million on Friday 18 and then, on Monday, to £250 million. Caledonian's board originally favored the SAS parial bid, arguing that it would allow the airline to retain its identity. Caledonian's board also feared job losses exceeding 2,000 in the event of a full BA takeover. Sir Adam Thompson, Caledonian's chairman, said it had received assurances from Lord King, BA's chairman, that staff "rationalization" would be achieved by vol-

Arco Increases Its Holding in Britoil to 14.7%

LOS ANGELES — Atlantic Richfield Co. said Monday that it had raised its stake in Britoil PLC to 14.7 percent from 13.7 percent, according to a report on Dec. 11. Arco has said it plans to purchase Britoil shares to bring its holding in the company to 29.9 percent and will ultimately increase the holding to 49.9 percent by transferring assets to the British company for stock. British Petroleum Co., which on Friday announced a £2.27 billion (\$4.15 billion) offer for Britoil, said then that it already had a 29.9 percent stake. The BP move came despite a special share held by the British government that allows it to prevent any bidder from gaining control of Britoil's board. Britoil shares jumped 24 pence to 426 pence on the London Stock Exchange, with dealers speculating that BP was buying shares.

Currency Rates

Table of currency rates for various countries including Australia, Canada, France, Germany, Hong Kong, Italy, Japan, etc.

As Political Fears Grow, Hong Kong's Brain Drain Turns Into a Flood

By Patrick L. Smith International Herald Tribune HONG KONG — It has been a tough six months for David Stocker, area manager for Hong Kong and China at Monsanto Far East Ltd., a subsidiary of the U.S. chemical giant. The difficulties started in July, when one of Mr. Stocker's 20 marketing professionals resigned to emigrate. Since then the drain of management talent has been steady, a casualty of the increasing political jitters afflicting Hong Kong's executive class. Monsanto has lost 3 of its 10-member sales staff since midyear; a quarter of its 16 top executives, all Hong Kong citizens, have left both the company and the colony. At this point, Monsanto Far East is in a crisis-management phase, Mr. Stocker said recently. Among other things, he has doubled his time on the road in recent months, since there are too few executives left sufficiently experienced to do the traveling. "From the point of view of doing new business, it's been very disruptive," Mr. Stocker said. "What goes by the board first is market development, and on that score we've just lost a year." Monsanto has suffered more than most foreign companies with outposts here, chiefly because it has relatively shallow management reserves. But that is the only

difference, according to other senior managers, as well as consultants and executive-search experts. Throughout the economy, they said, Hong Kong is feeling the first effects of a politically induced "brain drain" that is expected to worsen substantially in coming years. Until recently, some executives said, there was a tacit understanding that discussing the issue would only worsen it. Some also suggest the government has played down the problem for fear of setting off an exodus. "It's like Granny's drinking problem: Nobody wants to talk about it in public," said George Baeder, managing director of the Pacific Rim Consulting Group, which advises multinational companies in Asia. "The fact is, it's a major difficulty and it's going to become much more acute." Emigration is not a new phenomenon here, longtime residents point out. Departures to Canada, the United States, Australia and elsewhere have been an accepted part of life in Hong Kong, at least since it became a popular refuge for those fleeing the Chinese revolution in 1949. But the trend has gained momentum over the past several months as worries mount about the future under Chinese sovereignty after 1997, when Britain's colonial leases expire.

Locally owned institutions appear to be less affected, but executives at foreign banks operating here commonly attribute personnel losses of 10 percent to 15 percent this year to emigration. "We tend to attract people who are more mobile in the first place," said Steven Hunt, a senior vice president at Bank of America and head of its Hong Kong operations. "For us, it's a question of learning to live with higher turnover." The most immediate solutions to the flight of talent, many executives said, involve no long-term strategy at all. Most companies are coping by raising salaries, hiring young executives more aggressively and making heavier use of "headhunters," as executive-search firms are known. But longer-term solutions are beginning to emerge. Bank of America recently launched an advertising campaign in Canada in search of Hong Kong executives who "have put the passport issue behind them," Mr. Hunt said. Asea AB, the diversified Swedish industrial concern, has begun replacing Hong Kong executives with ethnic Chinese from elsewhere in the region. By far the most prominent strategy, however, is the offer of transfers or emigration assistance in exchange for commitments to remain in Hong Kong for a set period.

Interest Rates

Table of interest rates for Eurocurrency deposits, key money rates, and U.S. money market funds.

U.K. Police, FBI Investigate Loan Firm Over Fees

By Warren Getler International Herald Tribune LONDON — British police and the U.S. Federal Bureau of Investigation are investigating scores of complaints that a group claiming to be an international investment bank may have defrauded would-be investors out of millions of dollars by requiring advance payment for loans that never materialized. According to police and several complainants, the company — Seaworld Investments Ltd., which also operates as Union Trust Co. — offered to find financing for multi-million dollar projects, subject to applicants first paying an up-front credit processing fee of \$5,000 (\$9,130 at current exchange rates) and then paying a commitment fee equal to one-half percent of the value of the loan. Such terms are not unusual in brokered loan arrangements, where a broker, or "finder," acts on a paid basis to find financing for a client's project. According to police and several Seaworld loan applicants, however, clients of Seaworld and its apparent successor, Union Trust, were charged both the credit fee and the loan-commitment fee without getting any loans. The advanced fees paid may have totaled

in the millions of dollars, they said. Until earlier this year, Seaworld was based in Taiwan, but has since moved to Manila under the name Union Trust. The company states in its brochures that it is registered in Hong Kong and owned by a Luxembourg group, Premier International Societe Anonyme. British police say they questioned an individual in London suspected of being one of the firm's principals. The man, Bruce Picken, a 39-year-old Canadian, was held following a raid on his West End office in London on Oct. 9. No charges were brought, but Mr. Picken is due to reappear for questioning at Metropolitan Police Fraud Squad headquarters in the new year. A second Canadian businessman, Harold D. Linden, 61, is being sought for questioning, London police said. Mr. Linden was elsewhere during a raid on his London office on Oct. 9. In the United States, the FBI confirmed that Seaworld operations in Los Angeles and Las Vegas, Nevada are under investigation for possible mail-fraud. Sergeant Nigel Lane, the detective leading the investigation by Britain's Metropolitan Police

The Value Line brings you HARD FACTS ON 1700 AMERICAN STOCKS. The Value Line Investment Survey covers more than 1700 American stocks, which account for over 90% of all dollar trading volume in U.S. equity markets.

Monday's NYSE Closing. Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE St. 100 High Low Close Chg. Opt. Chg.

Table of stock prices for various companies including Amgen, Amgen, Amgen, etc.

(Continued)

Table of stock prices for various companies including Amgen, Amgen, Amgen, etc.

12 Month High Low Stock Div. Yld. PE St. 100 High Low Close Chg. Opt. Chg.

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U.S. Futures Via The Associated Press

Dec. 21

Season High Season Low Open High Low Close Chg.

Grains

Table of grain futures prices including Wheat, Corn, Soybean Meal, etc.

Livestock

Table of livestock futures prices including Cattle, Hogs, etc.

Currency Options

Dec. 21

Table of currency options prices for various currencies.

Food

Dec. 21

Season High Season Low Open High Low Close Chg.

Metals

Table of metal futures prices including Copper, Aluminum, etc.

Stock Indexes

Table of stock index prices including S&P 500, NYSE, etc.

Commodity Indexes

Table of commodity index prices including various agricultural and industrial commodities.

U.S. Treasuries

Dec. 21

Discount Bid Offer Yield Prev.

Table of U.S. Treasury bond and note prices.

DM Futures Options

Table of DM futures options prices.

London Commodities

Table of London commodity prices.

Spot Commodities

Table of spot commodity prices.

Dividends

Table of dividend payments for various companies.

Midland's Owners Clear Stake Sale

LONDON — Midland Bank PLC said Monday that its shareholders had approved the agreement for Hongkong & Shanghai Banking Corp. to acquire a 14.9 percent shareholding in the British bank for about \$400 million (\$742 million).

Seoul Reduce Tariffs To Ease Trade Friction

SEOUL — South Korea plans to cut tariffs next month on 194 products from the United States and other countries to help reduce its growing trade surplus and head off trade friction, government officials said Monday.

JAL's Public Offering Of Shares Is Sold Out

TOKYO — The offering of 48.1 million Japan Air Lines Co. shares sold out during last week's public sale, the Finance Ministry said Monday.

The Daily Source for International Investors.

Washington is stepping up pressure on South Korea, Taiwan, Hong Kong and Singapore to end what it calls unfair trade practices and to help cut the growing U.S. trade deficit, U.S. officials said last Thursday.

London Metals

Table of London metal prices.

DM Futures Options

Table of DM futures options prices.

Advertisement for Republic Clearing Corporation and other financial services.

Dollar Lower Despite G-7 Progress

NEW YORK — The dollar closed lower Monday against major currencies in a market too thin to react strongly to West Germany's confirmation that industrial nations planned a statement designed to stabilize the U.S. currency.

In New York, the dollar closed at 126.60 yen, down from 127.00 on Friday, and at 1.6288 Deutsche marks, down from 1.6335.

The dollar also closed at 1.3220 Swiss francs, down from 1.3255, and at 5.5045 French francs, down from 5.5255.

The dollar was lower against the British pound, which closed at \$1.8320, against \$1.8235.

In Bonn, a government spokesman, Friedhelm Ost, said that the Group of Seven industrial nations, the United States, West Germany, Japan, France, Britain, Canada and Italy, planned to issue a statement on currency trading ranges soon.

He said that the seven countries had had intensive consultations on renewing their economic and financial cooperation and that a statement would help stabilize the world's stock and currency markets.

London Dollar Rates

Currency	Mark	Ffr.
Deutsche mark	1.6288	1.6335
Swiss franc	1.3220	1.3255
French franc	5.5045	5.5255

There has been widespread speculation among traders that, since the Oct. 19 stock market collapse, the seven nations have ceased to uphold the currency trading ranges they established last February.

Mr. Ost said no date had been set for the statement's release, although reports over the weekend indicated that a statement would be issued after the U.S. Congress approved legislation cutting the federal budget deficit. That approval was expected Monday.

In New York, Varick Martin, a Union Bank of Switzerland vice president in foreign exchange, cautioned against reading too much into the dollar's failure to react much to Mr. Ost's statement.

"If the announcement about G-7 had come out on a normal day, the dollar probably would have skyrocketed," he said. "But there real-

Budget Deficit To Rise in U.S., Group Predicts

NEW YORK — The U.S. budget deficit is likely to widen sharply in the current 1988 fiscal year, the Conference Board said Monday.

The business research group said the deficit, cut to \$148.1 billion in 1987 by "unprecedented government tax savings and one-shot budget savings by Congress," seems likely to expand to \$186 billion in the current fiscal year.

The study said the most recent cut was a result of a windfall of \$30 billion to \$40 billion in corporate and personal income taxes after the Tax Reform Act of 1986. Other cuts came from the sale of federal assets and the postponement of military pay, farm subsidies and Medicare payments.

The board emphasized that an economic slowdown next year would sharply cut government revenues and that if there is a recession, the fiscal 1988 deficit would widen greatly.

Hong Kong Deposit Fees Seen as Stopgap Effort

HONG KONG — A plan for negative interest rates outlined by the Hong Kong Association of Banks may help curb currency speculation in the near future, but dealers said Monday they were skeptical about the measure's long-term impact.

The speculative flow of funds into Hong Kong dollar deposits pushes the local currency higher. The rule unveiled Saturday would require that banks pay a levy to the government whenever funds in the clearing system exceed a set level.

A deposit balance of 10 million dollars (\$1.3 billion) at a bank could result in a fee of up to 5.5 percent under current market conditions. A \$200 million balance could lead to a hefty 88 percent charge.

The fee would be adjusted according to market conditions, and banks are expected to pass it on to customers in order to discourage speculative Hong Kong dollar purchases. Penalties have not yet been levied, but they could be applied immediately if the banking association chooses.

A lack of activity by speculators in the holiday period should help the government maintain the Hong Kong dollar at current levels in coming weeks, traders said. But they predicted that the upward pressure would resume early next year because the United States will continue to press for a revaluation of the Hong Kong currency.

Bonn Cuts Growth Forecast, Cites Dollar

By Robert J. McCartney
Washington Post Service

BONN — The West German government has officially reduced its forecast for economic growth in 1988 and attributed the downward revision to the recent plunge in the dollar's value.

In a related development, Chancellor Helmut Kohl appealed Monday to the United States to do more to prop up the dollar.

He again rejected suggestions that West Germany could act as a "locomotive" to help lead Europe and the rest of the world to more robust growth.

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EXPORT: U.S. Financing Agency Reportedly Will Seek \$3 Billion Bailout in January

(Continued from Page 1)

have agreed to limit credit subsidies, but the difference between the Ex-Im Bank's average cost of its money and what it receives from its loans was still around 3.5 percentage points through most of this year.

The bank's request is expected to spur congressional debate over the extent, if any, to which exports should be subsidized and the trade-offs between such subsidies.

Preliminary congressional reaction was divided, with supporters of the bank saying it should get the capital replenishment; opponents argued that programs should be put on a pay-as-you-go basis or be eliminated.

"The overall financial state of the bank is terrifying news," said Representative Don Bonker, Democrat of Washington, the home state of Boeing.

But most legislators raised chances of getting \$3 billion for the bank next year as slim. The U.S. budget deficit is to be reduced by \$30 billion in the 1988 fiscal year, and by \$46 billion in 1989.

Mr. Bohn said he welcomed the debate. "The taxpayer has the right to know what this activity is costing," he said in an interview.

"We're here because other countries are subsidizing their exports — using government money to buy business away from American companies," he said. "If all the subsidies ended, I'd lock the doors of this place tomorrow."

Over the half century of the Ex-Im Bank's existence, taxpayers have paid \$2 billion to \$3 billion for the subsidies it provides. But it has brought \$190 billion in exports, Mr. Bohn said, adding "Spending \$3 billion to facilitate \$190 billion is not bad as government programs go."

Legally, the bank could operate without any capital. It needs only the congressional authority it receives every year to borrow from the U.S. Treasury. For fiscal year 1988, President Ronald Reagan requested \$1 billion, and Congress so far has given the bank \$690 million.

Mr. Bohn is seeking \$1.4 billion for the 1989 fiscal year.

Mr. Bohn said he resisted operating without capital because of his concern about the "managerial disciplinary effects."

"The tradition of this bank is that our loan officers think of themselves as loan officers of private banks," he said. "They're concerned about the bottom line, about making good, sound credit decisions. One way we remind ourselves whether we're doing a good job is to look at those financial statements. The discipline of running the operation like a private

bank, I think, in the long run, saves the taxpayer money."

Mr. Bohn said he would tell Congress in January that the bank's capital had fallen below \$1.4 billion — 50 percent of its 1983 level.

The bank has three options: a capital replenishment of \$3 billion; a congressional waiver of refinancing penalties to help the bank slowly rebuild its capital without a major bailout, or doing nothing.

Critics say a waiver of refinancing penalties would amount to a disguised bailout.

When the Ex-Im Bank borrows from the U.S. Treasury, the Treasury in turn borrows the equivalent in the market. Now that interest rates are lower than in 1980-81, the Ex-Im Bank wants to pay off its high-interest Treasury borrowings to reduce its losses.

But to cover the still high costs that remain from servicing those

original loans, the Treasury imposes a refinancing fee.

Last year, the Ex-Im Bank sold \$1 billion of its loans and with the proceeds paid off some of the high-rate Treasury loans. But it incurred a \$190 million added charge against income because of the prepayment penalty.

Senator John Heinz, Republican of Pennsylvania, one of the bank's principal congressional supporters, said that "in a perfect world I'd like to recapitalize."

But "in the real world," he said, that will be difficult. He expects to revive a proposal to eliminate the prepayment penalty.

One of the bank's strongest critics, Senator William L. Armstrong, Republican of Colorado, said that when the Ex-Im Bank came around again for money, "I'll listen."

"Maybe they will have a convincing case for why they give money away," he added.

Monday's OTC Prices

NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume. It is updated twice a year.

Via The Associated Press

12 Month High	Low	Stock	Div. Yld.	Sales in 1986	High	Low	4 P.M. CHG	Net
126.60	127.00	YEN					-0.40	-
1.6288	1.6335	DM					-0.0047	-
1.3220	1.3255	CHF					-0.0035	-
5.5045	5.5255	FFR					-0.0210	-
1.8320	1.8235	GBP					0.0085	+

12 Month High	Low	Stock	Div. Yld.	Sales in 1986	High	Low	4 P.M. CHG	Net
23.12	23.12	IBM	4.8	11.8	23.12	23.12	0.00	0
23.12	23.12	AT&T	4.8	11.8	23.12	23.12	0.00	0
23.12	23.12	GE	4.8	11.8	23.12	23.12	0.00	0

12 Month High	Low	Stock	Div. Yld.	Sales in 1986	High	Low	4 P.M. CHG	Net
1.00	1.00	AMC	0.0	0.0	1.00	1.00	0.00	0
1.00	1.00	AMT	0.0	0.0	1.00	1.00	0.00	0
1.00	1.00	AMR	0.0	0.0	1.00	1.00	0.00	0

12 Month High	Low	Stock	Div. Yld.	Sales in 1986	High	Low	4 P.M. CHG	Net
1.00	1.00	AMC	0.0	0.0	1.00	1.00	0.00	0
1.00	1.00	AMT	0.0	0.0	1.00	1.00	0.00	0
1.00	1.00	AMR	0.0	0.0	1.00	1.00	0.00	0

12 Month High	Low	Stock	Div. Yld.	Sales in 1986	High	Low	4 P.M. CHG	Net
1.00	1.00	AMC	0.0	0.0	1.00	1.00	0.00	0
1.00	1.00	AMT	0.0	0.0	1.00	1.00	0.00	0
1.00	1.00	AMR	0.0	0.0	1.00	1.00	0.00	0

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1.00	1.00	AMT	0.0	0.0	1.00	1.00	0.00	0
1.00	1.00	AMR	0.0	0.0	1.00	1.00	0.00	0

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1.00	1.00	AMT	0.0	0.0	1.00	1.00	0.00	0
1.00	1.00	AMR	0.0	0.0	1.00	1.00	0.00	0

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1.00	1.00	AMT	0.0	0.0	1.00	1.00	0.00	0
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1.00	1.00	AMT	0.0	0.0	1.00	1.00	0.00	0
1.00	1.00	AMR	0.0	0.0	1.00	1.00	0.00	0

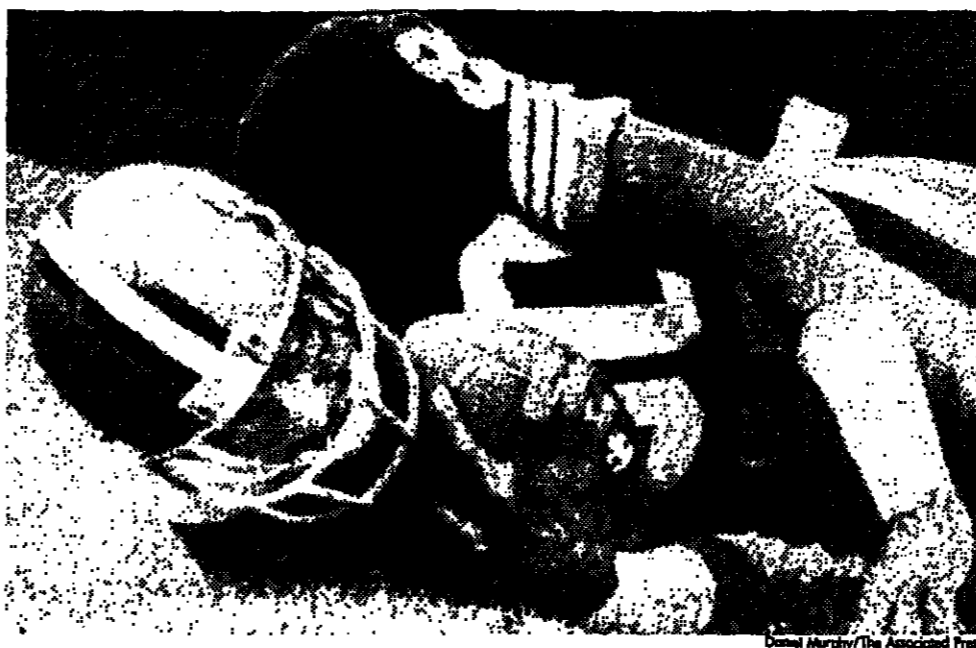
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1.00	1.00	AMT						

SPORTS

Rice Sets 2 Receiving Marks as 49ers Win

The Associated Press SAN FRANCISCO — On the crucial catch, Jerry Rice left his defender sitting, literally. It was a fitting demonstration of the San Francisco receiver's season-long superiority.



Jerry Rice of the 49ers clutching the ball after his record-setting touchdown catch.

NFL ROUNDUP

bit clearer, as Denver won a place in the postseason round and Buffalo and the New York Jets dropped from contention. Still, five of the 10 playoff berths are up for grabs heading into the final week of the regular season.

For Rice, his 19th touchdown reception of the season, in the third TD catches in a season and for most consecutive regular season games — 12 — with a scoring reception.

The Falcons cornerback, Bobby Butler, fell down on the play when Rice faked going to the corner, then cut back toward the middle of the end zone. Butler got up quickly but Rice cut back to the outside and leaped to catch a hard 20-yard spiral from Steve Young. The play gave the 49ers a 14-0 lead.

"The grass was slippery," said Butler. "My feet came out from under me. I tried to balance but couldn't. The turf was fine. I saw Rice take off and thought, 'That's it.'"

Miami's Mark Clayton had held the record for touchdown catches in a season, with 18 in 1984. Elroy (Cazayleg) Hirsch of the Los Angeles Rams (1950-51) and Buddy Dial of the Pittsburgh Steelers (1959-60) caught touchdown passes in 11 consecutive games.

Rice made his 20th touchdown catch of the year in the fourth quarter on Young's 1-yard pass. Rice's first TD came on a 5-yard run, an end-around, in the second period.

The 49ers go into the final week of the regular season with the league's best record, 12-2, but with just a one-game lead over the New Orleans Saints, 11-3, in the West division of the National Football Conference.

Both have clinched postseason spots, as have Chicago and Washington, Minnesota, St. Louis and the Los Angeles Rams are fighting for the other NFC playoff berth.

Over in the American Football Conference, the playoff picture is more confused.

The Indianapolis Colts, 8-6, clinched their first winning season in a decade by beating San Diego. Indianapolis can win the AFC East and move into the playoffs by beating Tampa Bay next weekend.

Miami's victory over Washington on Sunday night moved the Dolphins into a first-place tie with the Colts. But Indianapolis holds the tiebreaker edge, so Miami can win the division only if the Colts lose and the Dolphins beat New England next Monday night. If Colts and Dolphins both win, Miami could gain a wild-card berth if Pittsburgh, Houston and San Diego lose.

New England and Buffalo share second place in the AFC East at 7-7 and could end up in a three- or four-way tie for first place if they win next week. The Patriots would win the division if that occurs, but the Bills would lose out under the NFL's tiebreaker rules.

Denver, which beat Kansas City Saturday and is 9-4-1, clinched at least a wild-card berth when Pittsburgh and San Diego lost Sunday.

If the Broncos beat the Chargers next week, they will win the AFC West and clinch the home-field advantage throughout the playoffs. If the Broncos lose and Seattle beats Kansas City, however, the Seahawks will win the division.

Cleveland is alone in first in the AFC Central after a victory over the Los Angeles Raiders. The Browns, 9-5, can win the division with a victory or tie at Pittsburgh next Saturday. Pittsburgh and Houston, both 8-6 after the Oilers'

viety over the Steelers, remain in playoff contention.

Colts 20, Chargers 7: In San Diego, Jack Trudeau threw a touchdown pass, Eric Dickerson ran for 115 yards and the Indianapolis defense registered five quarterback sacks and three interceptions.

Dolphins 23, Redskins 21: In Miami, Dan Marino's 6-yard touchdown pass to Mark Duper, their third TD connection of the night, beat Washington.

Browns 24, Raiders 17: In Los Angeles, Bertie Kossar passed for 294 yards and two touchdowns to lead Cleveland. Kossar completed 21 of his 32 passes with one interception.

Eagles 38, Jets 7: In East Rutherford, New Jersey, Randall Cunningham completed 19 of 31 passes for 280 yards and three touchdowns, two to Mike Quick, as Philadelphia defeated New York.

Cardinals 13, Buccaneers 14: In Tampa, Florida, Neil Lomax threw touchdown passes to three different receivers for St. Louis.

East Germany, Hungary to Send Teams to Seoul

LAUSANNE, Switzerland — Hungary and East Germany became on Monday the first Soviet bloc nations to announce participation in the 1988 Seoul Olympics, boosting prospects that the Games would be attended by the leading sports nations of East and West for the first time in 12 years.

Both formally accepted the International Olympic Committee's invitations well ahead of the deadline, raising to 115 the number of IOC national member committees officially entered in the Games. Total membership of the International Olympic Committee is 167.

The Soviet bloc countries' participation had been in doubt ever since North Korea said it might call for a Soviet-led boycott unless it was allowed to co-host a sufficient number of events. The Communist countries do not have diplomatic relations with South Korea.

The 1980 Games at Moscow were marred by a U.S.-led boycott of several Western nations, reacting to the Soviet intervention in Afghanistan. In evident reprisal, all Soviet bloc nations except Romania stayed away from the 1984 Los Angeles Games, citing concern for security of their athletes.

Twenty-nine African states boycotted the Summer Games at Montreal in 1976 to protest a New Zealand rugby tour of South Africa.

The Soviet Union, Bulgaria, Poland, Czechoslovakia and Romania have yet to announce acceptance of the invitations to compete at Seoul.

The Soviet Foreign Ministry spokesman, Gennadi Gerasimov, said last week that the IOC would receive Moscow's answer next Jan. 17 deadline. But sports officials seemed confident that there would not be another boycott.

"I am certain now that all East European countries will be in Seoul," Willi Daume, president of West Germany's National Olympic Committee and IOC vice president, said in West Germany after the announcements by Hungary and East Germany, an international sports power.

Juan Antonio Samaranch, president of the International Olympic Committee, and the IOC's spokeswoman, Michèle Verdier, had left Lausanne for the Christmas holiday when word was received from Budapest and Berlin.

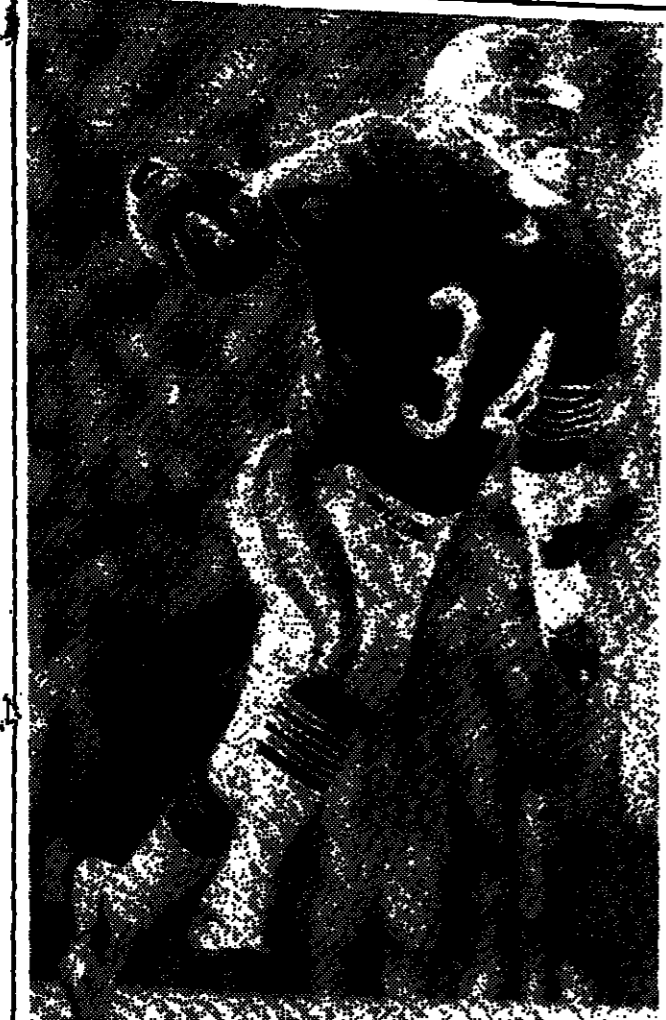
The announcements by the Olympic committees of Hungary and East Germany had similarly phrased lines about North Korea's role, suggesting consultation among the Soviet bloc countries.

The Hungarian body said it "supports any efforts" aimed at having the Games staged jointly by South and North Korea "in a way acceptable to both."

The East Germans said they would "continue to support IOC efforts to have the Games staged in both parts of Korea." The East German statement also said acceptance was contributing "to unity of the Olympic movement, to the understanding between peoples and to world peace."

The International Olympic Committee is waiting for North Korea to respond to its latest sharing proposals made during the final round of the IOC-sponsored talks attended by representatives of South and North Korean national committees at Lausanne in June.

North Korea has been offered the archery and table tennis events, women's volleyball and part of cycling and soccer.



FAREWELL — The Bears' Walter Payton in his last regular season appearance at Chicago's Soldier Field. Payton, 34, will stop playing after this season, his 13th with the Bears, who retired his No. 34 on Sunday.

Trade, Ultimatum Recreate a Runner

'For Rams' Charles White, Drug Arrest, Dickerson Deal Made All the Difference

By John Horn

ANAHEIM, California — The fingernail on Charles White's right index finger is rubble, and the wound says something about White's repeated collisions with the helmets of would-be tacklers. The faint scar on White's left wrist speaks, too, of another confrontation, but this one with police handcuffs, from White's summer arrest.

The remnants of the two injuries are emblematic of the remarkable fortunes and misfortunes that have visited the Los Angeles Rams running back this season, and they illustrate how White's career, if not his life, has been salvaged from the nadir.

That low point was on Aug. 21, when the police found White wandering alone through a field in the suburbs of Orange County, California, holding a trash-can lid for "protection," and screaming incoherently after a relapse into cocaine abuse. Just four months later, however, a sober White leads the National Football League in rushing with 1,213 yards, and "for the first time in his eight years" as a professional, White is justifying his selection as the 1978 Heisman Trophy winner and as a 1980 first-round draft pick of the Cleveland Browns.

Although White, 29, must still submit to a daily urine test for drug use, he is also enrolled in a drug treatment program, it is his behavior on the field nowadays that is drawing closer inspection. Entering Monday night's game against the Dallas Cowboys, White had notched five consecutive games with 100 yards rushing, all of which the Rams have won. White may well exceed in this season alone his total rushing yardage, 1,378, for his six previous active seasons.

It is as unlikely a turnaround as any, considering the recurrent drug use (dating back to 1982) and White's mediocrity at Cleveland. What, then, changed the calamitous course?

White points to two specific incidents: the October trade of Eric Dickerson from the Rams to the Indianapolis Colts, giving White a starting role, and the drug arrest, giving him an ultimatum.

"There are some things that come up in your life that you have to be willing to learn from, and to make adjustments," White said last week. "I would guess that all of the things that have happened to me have happened for a reason. Maybe God just said: 'I'm tired of you doing this. I want you to be something other than what you are doing.' And boom!"

When he was arrested last summer, White was charged with being under the influence of a controlled substance. On the day before Dickerson was traded, White agreed to go into the treatment program, and if he completes it successfully, the charges will be dropped.

Up to now, White has never really been able to match his gifts as an athlete with any clear degree of self-control. "Charlie had problems, all kinds of problems, in college," said John Robinson, the Rams' coach, who also coached White for four years at the University of Southern California. "You had to have your finger on him all the time. He was not going to classes, and so on."

At Cleveland, he went through a cocaine treatment program in the summer of 1982 that, apparently, was not entirely successful. "I had to take on a lot of responsibility when I was younger, playing, I mean, at USC," White said. "And I didn't pan out to be the type of person who could do that."

But he could run. At USC, White rushed for 5,598 yards (third best in National Collegiate Athletic Association history), gaining more than 100 yards 30 times and averaging 214 yards in the last six games his senior year. Yet as soon as he arrived as a rookie in Cleveland, the 5-foot-10, 195-pound (1.8-meter, 88-kilogram) White played like a flop. "To this day, I don't know why they drafted me," White said. "They were a passing team, and when they did run the ball, they gave it to Mike Pruitt."

White gained only 62 yards rushing in 13 Browns games in 1984. When he was finally placed on waivers after that season, only the Rams' Robinson had the courage to gamble, signing White as a free agent.

"If you had voted amongst a group of coaches at that time, everyone would have yawned or said it was a paycheck from Robinson for White's playing for him at USC," said Bruce Snyder, once the Rams' offensive backfield coach and now the head coach at the University of California-Berkeley. "White's skill certainly did not manifest itself right away. You could tell he hadn't been playing much."

Robinson said, "I think his skills had slipped. He just wasn't able to make the moves. I think there was a loss of confidence." Given an opportunity to play in two games when Dickerson sat out in a 1985 contract dispute, White rushed for two touchdowns and more than 220 yards. But he did little the rest of that season or in 1986.

This season, soon after his arrest, White decided, in an act of self-rehabilitation, to cross the NFL Players Association picket line and play for the Rams' replacement team. "I was spending too much time outside of football," White said. "And, as you know, idle time is the devil's workshop."

White rushed for 339 yards in three strike games. As soon as Dickerson left town this year, White not only replaced him, but surpassed him, and now has a large lead over him in the rushing race, which even Robinson admits he finds startling. But it is not as though White imitates his predecessor. Where Dickerson coolly steers around opposing players, White brazenly meets them head-on.

"He is now such a competitive, tough player, that he almost epitomizes what we try to teach about running," said Robinson. "We think the runner should be like a fighter coming out of the corner, trying to kill the other guy, or the other 11 guys as the case may be. I've never been around any other runner who had those kinds of attitudes about running like Charlie does, and I've been around some good runners."

Youth, Depth Promise Long Life for Sweden's Tennis Dynasty

Reuters

GOTEBORG, Sweden — Barring the unforeseen, the Swedish tennis dynasty founded by Bjorn Borg in the 1970s will survive 1990 and beyond.

Unlike the Borg-inspired Davis Cup victory of 1975, which was due almost entirely to one 18-year-old's prodigious talent, the Swedes' fourth victory, which they completed against India on Sunday, was a team triumph.

And the relative youthfulness of Sweden's squad must spread dependency throughout world tennis.

Mats Wilander, who won his two singles for the loss of just 10 games in five sets, is 23, as is his doubles partner Joakim Nyström, leaving Anders Jarryd as the grand old man of Swedish tennis at 26.

Stefan Edberg, the second-ranked player in the world who missed the 5-0 rout of India through injury, will not be 22 until next month. The Swedes have a

total of 10 players aged 26 or under in the world's top 40.

Though Ken Rosewall and Lew Hoad were starring for Australia at a younger age, no nation has enjoyed such remarkably young strength in depth and Sweden's Davis Cup captain, Hasse Olsson,

Led by Mats Wilander, 23, and Stefan Edberg, 22, Sweden has 10 players 26 years old or under ranked in the world's top 40.

was probably conservative when he looked to the future.

"I can certainly see as far as the next five years when Wilander, Edberg and Kent Carlsson will still be the young men," said Olsson, who has led Sweden to three Davis Cups in five successive finals.

"But I'm hesitant to look beyond that. Of course, we have a lot of young talent which could emerge, but you have Czechoslovakia or the United States, say,"

It is a remarkable statistic that Sweden won seven different players in the 1987 Davis Cup competition — the triumphant final quartet plus Carlsson, Mikael Pernfors and Jan Gunnarsson.

In 1988, Ulf Stenlund, 20; Jonas Svensson, 21, and Peter Lundgren,

Edberg, 22, Sweden has 10 players 26 years old or under ranked in the world's top 40.

will also be challenging for places on the squad.

Not unnaturally, as in any large group of young athletes, tensions do arise. Wilander, Olsson's on-court lieutenant, paid tribute to Carlsson when he admitted: "He's the one who makes sure we all remain friends."

But while Edberg publicly backed Olsson's decision not to risk him because of a sprained ankle, words were exchanged in private and the double Australian Open champion was far from happy with his role as spectator.

Edberg, however, had been the hero of the semifinal victory over Spain in Barcelona and Wilander was at pains to include him.

"The Davis Cup wasn't just about beating India, we'd played three tough earlier matches against Italy, France and Spain so it wasn't just those who actually played, who deserve credit," said Wilander, who has won two French and two Australian Open titles.

Though the present crop of Swedes looks good for another 10 years at the top should they decide to remain in tennis that long, there are genuine fears Sweden's reign may not last until the year 2000.

"I think the Wilander-Edberg generation may be the end," said Bjorn Hellberg, Sweden's best known tennis commentator.

"Our organization means we should always produce a quantity of talent, but I'm not sure about the quality," Hellberg said.

SPORTS BRIEFS

U.S. Yachtsmen Get Australia Apology

SYDNEY (Reuters) — The American team threatened to withdraw Monday from the Southern Cross Cup yachting series, but decided to remain after the Australian organizers apologized in a sail dispute.

The three-yacht U.S. team had announced it was going home after the organizers protest committee penalized one yacht, Slidewinder, for a sail measurement discrepancy. American officials, noting that only the stamping of the sails was incorrect, said they were incensed by inferences that they had deliberately set out to break cup regulations.

Arthur Cooley, commodore of the Cruising Yacht Club of Australia, said an allegation of cheating was intended by a club officer's remarks at the protest meeting on Sunday. "The club apologizes to the members of the United States team for any damage that may have arisen," he said.

The protest committee had found Slidewinder guilty of having an incorrect stamp on its sails when they were measured after the second race of the series on Thursday. The boat was penalized 10 percent of the points it gained in that race. The penalty demoted it to sixth place.

After Saturday's third race, the United States was fifth in the series, well behind Australia, the leader. The fourth race in the five-race series, postponed on Monday because of the controversy, will be held Tuesday.

Evans Sets Women's Swimming Mark

ORLANDO, Florida (Reuters) — Janet Evans of the United States broke the longest-standing world record in swimming on Sunday when she clocked 4 minutes, 54.5 seconds in the women's 400-meter freestyle. The 16-year-old Evans, competing in the U.S. Open long course meet, bettered the 4:06.28 set Aug. 24, 1978, by Australian's Tracey Wickham.

Japan MVP Punished for Gambling

TOKYO (AP) — The Japan Series champion Seibu Lions said Monday that they would ban Osamu Higashio, the pitcher who was the Pacific League's most valuable player this year, from appearing in baseball games for six months as punishment for gambling at mah-jongg.

Yasuyuki Sakai, general manager of Seibu Lions Inc., said the 18-year veteran's annual pay would be cut by 25 million yen (\$197,000) from its 1987 level. That would mean Higashio's pay in 1988 would be around 75 million yen. He cannot play until June 20. The season starts April 8.

Tejano Wins Hollywood Futurity

INGLEWOOD, California (AP) — Tejano scored a 2 1/2-length victory over Purdue King in the \$1 million Hollywood Futurity on Sunday to become the richest 2-year-old thoroughbred in turf history.

Tejano, ridden by Laffit Pincay, won \$495,000 to boost his season's earnings to \$1,177,189 on five victories, a second and two thirds in 10 races. That bettered Snow Chief's \$935,740 in 1985.

Elton John's Team Seeks New Buyer

LONDON (AP) — Watford soccer club was put up for sale again Monday by the rock star Elton John after the surprise withdrawal of its anticipated purchaser, the millionaire publisher Robert Maxwell.

SCOREBOARD

Football

National Football League Standings

Table with columns for American Conference and National Conference, listing teams, wins, losses, ties, points for, and points against.

SUNDAY'S RESULTS

Table listing Sunday's NFL game results, including Pittsburgh vs. Cleveland, Houston vs. Denver, etc.

Basketball

NBA Standings

Table with columns for Eastern Conference and Western Conference, listing teams, wins, losses, and games behind.

SUNDAY'S RESULTS

Table listing Sunday's NBA game results, including Boston vs. Philadelphia, Washington vs. New York, etc.

Hockey

NHL Standings

Table with columns for Wales Conference and Adams Division, listing teams, wins, losses, ties, points for, and points against.

CAMPBELL CONFERENCE

Table listing Campbell Conference NHL game results, including Detroit vs. St. Louis, Montreal vs. Hartford, etc.

SUNDAY'S RESULTS

Table listing Sunday's NHL game results, including St. Louis vs. Washington, Philadelphia vs. Pittsburgh, etc.

Transition

BASEBALL — Agreed to terms with Dwight Gooden, outfielder-firer, on a two-year contract. Signed Carlton Fisk, catcher-outfielder, to a one-year contract. Signed Mike McClure, senior vice president for marketing, to a one-year contract.

European Soccer

SPANISH FIRST DIVISION — Atletico Madrid 0, Sevilla 1. Barcelona 2, Real Valladolid 4. Real Sociedad 2, Murcia 1. Girona 2, Getafe 1. Las Palmas 2, Osasuna 1. Cadix 2, Espanol 1. Espanol 2, Valencia 0. Cadix 2, Valencia 0.

